

Marta Harnecker and Gabriela Uribe

AN INTRODUCTION TO POLITICAL ECONOMY



1.1 EXPLOITERS AND EXPLOITED

OUTLINE OF THE SERIES

SERIES ONE

1.1 EXPLOITERS AND EXPLOITED

UGGLE

The Political and Legal Structure
Mode of Production and Social Formation
Political Conjuncture

3.4 SOCIAL CLASSES : The Underlying Problematic

3.5 THE MARXIST THEORY OF HISTORY

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WORKERS OF CHUQUICAMATA

AN INTRODUCTION TO POLITICAL ECONOMY

1.1 EXPLOITERS AND EXPLOITED

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from the French versions:

Marta Harnecker: *Les Concepts Elementaires du Materialisme Historique*, Bruxelles, Contradictions, 1974. Original Spanish Edition: Siglo Veintiuno Editores, Mexico, 1969, 1971.

and

Marta Harnecker, Gabriela Uribe and the Workers of Chuquicamata: *Cahiers de Formation Populaire Series 6 : 1*
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Introduction to the Series*

Some may prefer to read this Introduction after they have become familiar with the material set forth in the booklets of the first Series.

1. A radical shift

For centuries, "the philosophers have only interpreted the world, in various ways; the point, however, is to change it."¹ That was one of Marx's terse comments on Feuerbach — actually his eleventh thesis. But what did this shift from interpretation to transformation imply? Did it mean setting aside theory in favour of action? Should one give up study and books to devote oneself exclusively to political action?

Many young people, tired of revolutionary talk, are inclined to interpret this dictum of Marx as indicating a shift from theory to action.

But is every theory a mere interpretation of the world? Or, does every action produce a genuine transformation of society? If this were so, then Marx should have been consistent with his own logic. He should have given up the study of books to devote himself entirely to political action. On the contrary, without neglecting immediate political action, Marx devoted the best years of his life to intellectual work.

Thus the life of Marx places before us two alternatives. Either he was inconsistent with his own insight about the necessity of shifting from interpretation to action. Or, he

* Translated with adaptations from Marta Harnecker : *Les Concepts Elementaires du Materialisme Historique*, Bruxelles, Contradictions, 1974. *Introduction*, pp. 7-16; and the *Introduction to the Cahiers de Formation Populaire*, Series 6.1.

The footnotes use **short titles** as indicated in the list of *References* given at the end of this Introduction. (Tr.)

1. Marx, *Theses on Feuerbach*, in Marx-Engels : *Selected Works*, Moscow Vol. 1, p. 15.

thought it impossible to transform the world without knowing beforehand the organisation, functioning and development of the world, and the forces capable of producing social change. In other words, transformation was not possible without a scientific knowledge of the reality to be transformed.

There can be little doubt that the second alternative was the thinking of Marx. His 11th thesis on Feuerbach did not sound the death knell of all theory. It merely announced a **break** with older philosophical theories, which had been content with contemplating and interpreting the world in general, and man, society and history in particular. Such theories were incapable of transforming society because they did not understand the real functioning of society.

Until Marx, there had existed philosophies of history, historical narratives and sociological analyses which were content with **describing** the facts found in different societies. There did not exist a scientific understanding of such societies and their history.

Marx was announcing the advent of a new and **scientific theory of history** just as Galileo had inaugurated a new study of the physical world.

¶ But Marx did not produce his scientific theory of history in a vacuum. As Lenin noted in his essay on *The Three Sources*, Marx's work was "the legitimate successor to the best that man had produced in the nineteenth century, as represented by German philosophy, English political economy and French socialism."² But far from being an eclectic, Marx subjected the work of others to a continual "critique" in his endeavor to transcend the limitations of their effort. ¶

2. A scientific theory of History

We have used the word "theory" several times. Let us take an example to explain what we mean.

2. Lenin : *The three sources and the three component parts of Marxism*, in Lenin : *Selected Works*, Moscow, Vol. I, p. 44.

We can transform raw material (like copper) into a useful product (like electric wire) with the help of workers using specialised instruments of labour (machines). In the same way, Marx wished to transform a superficial perception of society into a rigorous scientific understanding of it with the help of intellectual tools (theories and methods).

A **theory** is a more or less systematic body of concepts that is used by a science. To mention just a few : we have the theory of gravity, the theory of relativity, the theory of the unconscious. The manner in which these concepts are used is called the **method**.

Every **scientific theory** is a **tool of knowledge**. It does not give us an immediate knowledge of the reality, but it provides us with the instruments of intellectual work. With the help of these intellectual instruments we can know reality in a rigorous and scientific way. For example, the theory of gravity does not tell us immediately the speed of a falling stone, but it gives us the means of calculating that speed.

Hence the Marxist theory of history is a body of abstract concepts which the intellectual worker uses as a **tool** in order to analyse different societies in a scientific way.

3. Discovering a new continent of thought

The first foundations of this scientific theory were laid down by Marx and Engels in their book *The German Ideology* (1845-46). This work marked a genuine revolution in the thinking of its authors, for in it Marx and Engels were launching a new science.

Louis Althusser compares this feat to the discovery of a new continent. Until the time of Marx, only two continents of scientific thought had been discovered. The continent of Mathematics had been discovered by the Greeks, and the continent of Physics by Galileo and his successors. Chemistry and Biology could be regarded as regions in the continent of Physics. Logic was a region of Mathematics. Today it seems probable that Freud discovered a new scientific continent which we are only just beginning to explore. If this metaphor of

Althusser is helpful, we could say that Marx opened up to scientific thought the continent of History.³

The new science inaugurated by Marx is 'materialistic' in the way that all science is. That is why his general theory bears the name of 'historical materialism'. The term 'materialism' merely indicated a rigorous scientific attitude in the face of its object, so that it could capture "nature just as it exists without any foreign admixture" to use the expression of Engels.⁴

But, inspite of this explanation, the expression 'historical materialism' sounds odd. One does not speak of chemical materialism or physical materialism. Why should one talk about 'historical materialism'? That was because Marx wanted to distinguish his scientific, or materialistic, understanding of history from the Idealistic conceptions that had prevailed upto his time. **Marx's materialism (or scientific method) was opposed to German Idealism (or philosophy.)**⁵

4. The lag between scientific theory and philosophy

So far we have spoken of historical materialism, and the theoretical revolution it provoked. But is Marxist theory limited to a scientific theory? It is more than that. Marxist theory consists of a scientific theory, **historical materialism**, and a philosophy, **dialectical materialism**.

Louis Althusser has shown "that there is a correlation between great scientific revolutions and great philosophical revolutions. It is enough to compare the major discoveries

3. Althusser : *Lenin and Philosophy*, NLB, p. 42.

4. Althusser : *Lenin and Philosophy*, NLB, p. 43.

5. Althusser : *Lenin and Philosophy*, NLB, p. 44.

¶ Engels was well aware that the word materialism would not please those attuned to English speech : "...the word materialism grates upon the ears of the immense majority of British readers. 'Agnosticism' might be tolerated, but materialism is utterly inadmissible. And yet the original home of all modern materialism, from the 17th century downwards, is England..." Engels : Special Introduction to *Socialism: Utopian and Scientific*, in Marx-Engels : *Selected Works*, Moscow, Vol. 3, pp. 95-6. ¶

in the history of science with the major developments in the history of philosophy, to notice that the great philosophical revolutions always follow the great scientific revolutions. Greek mathematics was followed by the philosophy of Plato; Galileo's Physics by the philosophy of Descartes; the physics of Newton by the philosophy of Kant; and mathematical logic by the philosophy of Husserl. In a similar way, the science of history founded by Marx was followed by a new philosophy—dialectical materialism."⁶

The sciences must exist first, before a philosophy can be born and develop.

The theoretical upheaval produced by the advent of a new science does not have immediate repercussions in the field of philosophy. A certain time-lag is necessary before philosophy can change. The same kind of delay is found in the development of Marxist philosophy, or dialectical materialism. "The thirty year desert between the *Theses on Feuerbach* and *Anti-Duhring* is evidence of this, as are certain long periods of deadlock later, periods in which we and many others are still marking time."⁷

Nevertheless, because of the intimate link between scientific discoveries and changes in philosophy, it is in the scientific analyses of Marx and Engels, particularly in *Capital*, that we can find the theoretical elements for the elaboration of a Marxist philosophy. Lenin used to say, very correctly, that it was in *Capital* that one had to search for dialectical materialism, that is, for Marxist philosophy.⁸

5. The present state of the Theory

So Marxist theory is composed of a scientific theory of history, historical materialism, and a philosophy corresponding to this scientific revolution, dialectical materialism.

6. Althusser : Cours de philosophie pour scientifiques, Ecole Normale Supérieure, 18 December, 1967, Mimeographed, p.65.

7. Althusser : *Lenin and Philosophy*, NLB, p.45.

8. Lenin : '*Plan of Hegel's Dialectics (Logic)*', in Lenin : *Collected Works*, Moscow, Vol. 38, pp. 317.

Because of the time-lag referred to above, the development of dialectical materialism has not progressed as rapidly as the scientific study of history.

We will now briefly indicate the level of development attained by the body of concepts which make up the general theory of historical materialism.

This body of concepts was not developed systematically by Marx and Engels. Nevertheless, through their profound knowledge of the capitalist system of production, they were remarkably successful in their analysis of that system. Thanks to *Capital* the international proletariat could understand the reasons for its misery. It could also know the means by which it could terminate that misery in a revolutionary manner. For, thanks to Marx, the capitalist system had been exposed. His analysis of the conditions of its origin, development and destruction had indicated the objective norms of the revolution. The era of Utopias was coming to an end.

We have just said that the body of concepts which constitutes historical materialism was not developed systematically by Marx and Engels. After their death, their successors continued to elaborate these theoretical tools unevenly. Concepts relating to the infrastructure were better developed than those relating to the superstructure. This was not a pure accident. For these concepts had been used by Marx most frequently in his analysis of the capitalist mode of production. By studying the way Marx had used them in *Capital*, scholars have succeeded in elaborating them more systematically—even though a great deal of work still remains to be done. But as for the other concepts, most of them have remained at the level of 'practical concepts'. They give us guidelines for further research, rather than provide us with knowledge already acquired.

The present state of the general theory of historical materialism is more or less as follows :

- a scientific theory on the economic aspects of the pre-monopoly capitalist mode of production, and some elements for an understanding of monopoly capitalism.

- an incomplete scientific theory on the ideological structure and the legal and political structures of the capitalist mode of production.
- insufficient scientific study of the other modes of production (slave society, feudalism etc.).
- some elements for a general theory regarding the transition from one mode of production to another. Above all, elements for thinking out the transition from the capitalist mode of production to a socialist mode of production (dictatorship of the proletariat, lack of correspondence between property relations and real appropriation, etc.).
- initial elements for a scientific theory on social classes, specially social classes in a capitalist regime.
- elements for the analysis of a political conjuncture (Lenin's theory of the weakest link, and Mao's system of contradictions).

6. Popular and yet precise

The object of these pages is to present the main concepts of historical materialism in a manner that is both pedagogical and precise. Most of these concepts constitute the tools necessary for the scientific analysis of any society. A few of them (like the concept of **surplus value**) belong more specifically to the analysis of capitalist society.

In making a critical study of these concepts, an effort has been made to go beyond the words used by the authors to their underlying thought. Such an approach avoids dogmatism, and permits us to apply these conceptual tools in a creative way to the analysis of concrete reality.

We believe that what distinguishes the content of our work from that of several well-known manuals of Marxism⁹

9. For example : N. Bukharin : *Historical Materialism*, University of Michigan Press, Ann Arbor; Kostantinov; *Le materialisme historique*, Ed. Novosti, 1965; Nunez Tenorio: *Introduction a la sociologia marxista*, Caracas, Editorial Critica Marxista, 1968; *Problemes fondamentaux du materialisme historique*, Moscow, Ed. du Progres, 1953.

is precisely this critical study of basic concepts in the light of the most recent research.

7. A successful book§

¶ The preceding pages are taken from Marta Harnecker's Introduction to her book *The basic concepts of historical materialism*. The book was written in Spanish, and published in Santiago (Chile) in 1969. It was an immediate success. Within a short span of time, it sold more than 1,50,000 copies.

The book was divided into three parts : i) the social structure ii) social classes and iii) the Marxist theory of history. The author explained why she had adopted this approach : ¶

To present historical materialism in a pedagogical and yet precise manner, we had to begin with the most complex concepts. We begin with the concept of production which is the basic concept of Marxist theory. The production of material goods serves as the connecting link for the other aspects of society. This section then proceeds to study the relations of production, the productive forces, the economic structure etc. — in other words, all the concepts which are fundamental for the scientific study of a social structure. (see the booklets 1.1, and 3.1 to 3.3)

Next we study the effects of the social structure on the individuals who live in it, and the action that these individuals can exercise on that structure — social classes and the class struggle. (Series 1.3 and 3.4)

Finally, we examine the Marxist theory of history, and give an overall view of the contribution of Marx and Engels to this theory. (Series 3.5)

In most introductions to Marxism, it was "normal" to begin with this overall view. But to formulate that view in a

§ As will be obvious from the text, Sections 7 and 8 have been adapted to introduce the outline of this Series (Tr.)

scientific and understandable way for the reader, it seemed necessary to traverse the arduous path of a systematic study of the concepts leading up to it. We have only to recall what Marx wrote to Maurice Lachatre, the editor of the first French edition of Volume One of *Capital*, in a letter dated 18 March 1872 :

I applaud your idea of publishing the translation of *Capital* as a serial. In this form the book will be more accessible to the working class, a consideration which to me outweighs everything else.

That is the good side of your suggestion, but here is the reverse of the medal: the method of analysis which I have employed, and which had not previously been applied to economic subjects, makes the reading of the first chapters rather arduous, and it is to be feared that the French public, always impatient to come to a conclusion, eager to know the connection between general principles and the immediate questions, that have aroused their passions, may be disheartened because they will be unable to move on at once.

This is a disadvantage I am powerless to overcome, unless it be by forewarning and forearming those readers who zealously seek the truth. There is no royal road to science, and only those who do not dread the fatiguing climb of its steep paths have a chance of gaining its luminous summits.¹⁰

The content of the various booklets of Series 3 will reflect the unequal development referred to above. Some booklets will develop concepts in quite a rigorous and scientific way; others will do little more than pose problems. Our intention is to let the reader experience the unequal development we have indicated.

8. Pamphlets for mass education

¶ In the Parliamentary elections of 1970, Chile voted in

10. Marx : *Capital*, Vol. 1, p. 21 (Moscow); p.104 (Penguin).

the Left Front Government headed by Allende. But the opponents of the new Government launched a campaign of counter-propaganda against the reforms proposed. It was vital that the Chilean workers be provided with a basic understanding of Chilean society and the meaning of the Left Front programme. It was in this context, that Marta Harnecker, Gabriela Uribe and workers of Chuquicamata began to prepare a series of pamphlets (1972) for the broader theoretical formation of the Chilean workers. Using simpler language, more examples and fewer quotations these pamphlets tried to strengthen the movement among the workers. As the authors pointed out : ¶

One of the most important tasks of the moment is that the workers educate themselves, that they raise their level of consciousness, that they make themselves capable of responding to the new responsibilities placed on them by the process that is unfolding in Chile ...

If we wish to transform society, we need to understand its fundamental characteristics. We need to study topics like :

- ✿ What is the origin of the exploitation of the workers ?
- ✿ How does this exploitation manifest itself in the capitalist system ?
- ✿ What are the social forces on which the working class can depend in their struggle against such exploitation ?

¶ The answers to these questions are outlined in the booklets of Series One :

1.1 Exploiters and Exploited

1.2 Capitalist Exploitation

1.3 Social Classes and the Class Struggle ¶

The revolutions which have been victorious in the past, are those in which the workers have succeeded in aligning themselves with their true friends, under the leadership of a revolutionary proletarian party. The party's role is to be

the vanguard of the proletariat, and the workers cannot succeed unless the party guides them along the correct path.

¶ In the Second Series, the authors outline the kind of organisation, planning and strategy necessary for a successful advance towards socialism :

2.1 The Party : vanguard of the proletariat

2.2 The Party Organisation

2.3 Leaders and Masses

2.4 Strategy and Tactics

In these booklets the authors give us the basic concepts of the revolutionary political science of Marxism-Leninism. By providing these theoretical weapons, they hope to make their contribution to the conscious, critical and active participation of all workers in the transformation of society.

Unfortunately, the original Chilean pamphlets are not available, and this translation has been made from a French version published in Montreal, Canada. Wherever changes or additions have been introduced into the text, these have been identified by using the symbols ¶ ¶ at the beginning and the end of the altered portions. This will enable the reader to distinguish the original text from our adaptations.¶

9. Hints for Study

The content of these booklets should not be regarded as dogma¹¹, but as an effort in research and the pedagogical presentation of a certain number of tools for theoretical work. If one or other of these tools obstructs, rather than favours, the understanding of concrete reality, it should without hesitation be modified, perfected or even abandoned.

The list of "suggested readings" (specially in Series 3)

11. " 'Our theory is not a dogma, but a guide to action' Marx and Engels always said, rightly ridiculing mere memorising and repetition of 'formulas' ". Lenin : *Letters on Tactics, in Collected Works*, Moscow, Vol.24, p.43.

is meant to help the reader to evaluate our presentation more critically.

We also urge readers to study the texts of Marx, Engels, Lenin and Mao indicated in the "Annotated Reading List". Even if these authors have not systematically elaborated a number of concepts, they have described and analysed their own revolutionary practice. Thus, they have much to teach us.

But to read, study and assimilate these texts does not mean to repeat them like parrots.. Famous passages are not enough. What is needed is a creative application of Marxist theory. Lenin sharply criticized politicians who clung to quotations from books, without trying to face reality in a creative way.

They "pick out passages from books like a scholar whose head is a card-index box filled with quotations from books, which he picks out as he needs them; but if a new situation arises which is not described in any book, he becomes confused and grabs the wrong quotation from the box."¹²

To conclude, our work would remain absolutely sterile, if the reader is merely content to broaden his knowledge of Marxist theory. We cannot forget that the ultimate objective of Marx was to **transform the world**.

Translated from the Introduction of
Marta Harnecker
Santiago, Chile, 1971,
with the changes indicated.

12. Lenin : *First All Russian Congress on Adult Education, (1919)*.
in Lenin : *Collected Works*, Moscow, Vol. 29, p.364.

References

In this translation quotations have been taken from the following English versions. For the sake of convenience, references in the text make use of *short titles*.

The date, in brackets, following the names of Karl Marx and Frederick Engels gives the date of composition, except for *Capital*, where the date of first publication is given.

MARX, K. (1857) : *Introduction to a Critique of Political Economy*, in *A Contribution to the Critique of Political Economy*, Progress Publishers, Moscow, 1970, pp. 188-227.
short title : *Marx, Introduction to a Critique, Moscow*.

MARX, K. (1859) : *A Contribution to the Critique of Political Economy*, Progress Publishers, Moscow, 1970.

MARX, K. (1867) : *Capital*, Volume I, *A Critical Analysis of Capitalist Production*, Progress Publishers, Moscow, 1954, 1974 printing.
short title : *Marx, Capital, Vol. I, Moscow*.

MARX, K. (ib.) : *Capital*, Volume I. *A Critique of Political Economy*, Translated by Ben Fowkes, Introduced by Ernest Mandel, Penguin Books in association with New Left Review, Harmondsworth, 1976. Pelican Marx Library.
short title : *Marx, Capital, Vol. I, Penguin*.

MARX, K. (1885) : *Capital*, Volume II, *The Process of Circulation of Capital*, Edited by F. Engels, Progress Publishers, Moscow, 1956, 1974 printing.
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MARX, K. (ib) : *Capital*, Volume II, Translated by David Fernbach, Introduced by Ernest Mandel, Penguin Books in association with New Left Review, Harmondsworth, 1978. Pelican Marx Library.
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MARX, K. and ENGELS, F. (1845-6) : *The German Ideology*, Progress Publishers, Moscow, 3rd Revised edition, 1976.
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short title : *Althusser : For Marx, Penguin*.
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Short title : *Althusser-Balibar : Reading Capital, NLB*.
- POULANTZAS, NICOLAS (1972) : *Political Power and Social Classes*, NLB and Sheed and Ward, London, 1973.
short title : *Poulantzas : Political Power and Social Classes, NLB*.
- BETTELHEIM, CHARLES (1970) : *Economic Calculation and Forms of Property*, Routledge and Kegan Paul, London, 1976.

Exploiters and Exploited

I. INTRODUCTION*

Chile — a country bled white

These booklets were originally written in Chile — a country of South America. The story of Chile is not unique, for it is the story of many Third World countries.

Chile is a country of great natural wealth. It has huge mineral reserves, including 30% of the world's copper deposits. It has rich forests, enormous potential for hydro-electric power, a long sea-coast with plenty of fish, and more than enough agricultural land.¹

Yet if you were to visit the country in 1969, you would see many signs of economic and social stagnation. At that time, Chile had only 10 million people (India has more than 683 million), and it was estimated that the country could easily support more than three times that number of people. But in spite of its vast natural wealth and its small population, you would see poverty and misery in plenty.²

Fifty per cent of the children under fifteen were under-nourished. Half a million families were homeless, and many more lived in horrible conditions — without proper sewage, without drinking water or electricity. The medical and educational needs of the majority were neglected.³

*The general outline and major portions of this booklet have been translated from the French version of Marta Harnecker, Gabriela Uribe and the workers of Chuquicamata : *Cahiers de Formation Populaire*, Series 6.1 : *Exploiteurs et Exploites*, C. F. P., Montreal, Canada. The original had been written in Spanish. But when the booklet was translated into French, the Chilean examples of the Introduction were replaced by Canadian ones. Since the example of a Third World country seemed more appropriate, we have taken our data on Chile from Salvador Allende : *Chile's Road to Socialism*, edited by Joan E. Graces, Penguin, Harmondsworth, 1973.

1. The programme of Unidad Popular, op. cit. p. 23

2. ibid. pp. 23,28

3. ibid. p. 27

If you were to enquire about the conditions of the workers, you would find that more than half of Chile's workers received wages that were not enough to cover their minimum needs. And the ever rising cost of living was a perpetual source of anxiety to them, for in ten years (1959-1969) it had risen 1,000 per cent.⁴ But it was not only the workers and the landless peasants who were going through hardships. Even the clerical workers, the professional people and the small businessmen were facing increasing difficulties. What had gone wrong? Why was there so much misery in such a rich country?

Was it that no one had tapped the resources of the country? Was it still an un-developed country, that so much poverty could exist amidst so much natural wealth? Or were the people of Chile lazy? Certainly not. A little study would show that the Chileans worked hard. They extracted minerals from the earth, built dams to generate electric power, cut down forests to provide timber, cultivated a variety of crops, and brought in rich hauls of fish. In brief, through their labour they extracted enormous wealth from nature. But what happened to all this wealth? Where did it go?

To find out the answer you would have to understand that Chile was dominated by a small elite made up of land-owners and industrialists who were closely allied with foreign capital.⁵ Through this alliance, the most important share of the wealth produced by the workers of Chile went to the richest country in the world — the United States of America. Another portion went to a small group of Chileans, and very little came to the majority of the people.

Though Chile has almost one-third of the world's copper reserves, it was not the people of Chile who controlled the mining or the sale of copper. It was North American Companies that had gained control. When these multinationals brought their technology they made Chile pay high prices for their equipment and the use of their patents. When the United

4. *ibid.* p. 27

5. *ibid.* pp. 25-26

States gave loans, Chile had to buy the machinery it needed from the United States, and transport its cargo in American ships. No wonder then that Chile was bled white by its rich northern neighbour — the USA.

To quote a few statistics : President Allende pointed out that between 1930 and 1969, the sum of 3,700 million dollars left Chile to increase the wealth of the companies that controlled the copper mines. That sum was roughly 40% of the total wealth of Chile. During the same period, through the export of iron ore and saltpetre, and through profits from electric power and telephones, something like 9,600 million dollars left the country.⁶

In 1969 alone, out of a world-wide profit of 99 million dollars the US company Anaconda made 79 million dollars in its copper mines in Chile. Anaconda was certainly doing good business in Chile. For it had invested only 16% of its capital in Chile, but that 16% had yielded 80% of its total profits.⁷

But the copper, iron-ore and saltpetre mines were not the only places where the natural wealth of the country and the labour of the Chilean workers were being exploited. Foreign exploitation had taken many forms — in agriculture and fishing, in industry, banking and trade.⁸ Thus in a variety of ways, American companies controlled the political economy of Chile. Further, they dictated terms through international agencies like the International Monetary Fund (IMF).⁹ Thus the workers of Chile had already experienced what President Nyerere of Tanzania was to highlight later : "The IMF is a device by which powerful countries increase their power over poor nations."

In addition to all the wealth taken out of the country another portion of it went to a very restricted group of

6. Salvador Allende : The Nationalization of Copper, Speech on 21 Dec. 1970, *ibid.* p. 79

7. *ibid.* p. 80

8. The programme of Unidad Popular, *ibid.* 25

9. *ibid.* p. 25.

Chileans — the big landowners who still own vast portions of Chile's agricultural land, and the big industrialists who work hand in hand with American firms. So in fact, very little of the wealth that they extract or create by their labour goes to the workers themselves.

The results are there for everyone to see. While the farm labourer lives in misery, the landowners send their children to Europe for their studies. According to a survey made in 1960, the top ten thousand landowners earned more than 6,000 pounds a year. At the same time, there were "600,000 children who for want of proteins in the first eight months of their life, will never attain their full mental vigour."¹⁰ Before the United Front came to power, previous Governments had allowed the wealthy to spend precious foreign exchange (earned by the mine workers) to import expensive cars. But they would not import the buses needed to improve the public transport system, or the machinery needed for agriculture.¹¹

Of the wealth they produced by their labour, the workers had to be satisfied with only a tiny share. Naturally, they experienced this as violence. For is it not violence when a few own luxurious homes (even two or three of them) while the greater part of the people live in conditions that are not fit for human beings? Is it not violence when food is thrown away, or exported to feed animals, while thousands of one's own countrymen starve?¹² But before 1969, every time the

10. Introduction to the book by Richard Gott, *ibid.* p. 17 quoting Allende's speech to the UNCTAD Conference, *ibid.* p. 177

11. The programme of Unidad Popular, *ibid.* p. 26

12. *ibid.* p. 25. If further evidence of the *unequal distribution* of income was needed, one could find it in the *World Development Report 1984*. The World Bank gives the following figures for Chile in 1968. The share of household income of the lowest 20% was only 4.4% of the total, while the highest 20% received 51.4%, that is more than half of the total.

More than one-third (34.8%) went to just 10% of Chilean households. The figures for the rest of the population were as follows : second quintile : 9.0%, third quintile : 13.8%, fourth quintile : 21.4%. (*World Development Report 1984*, Oxford University Press, 1984, Indian ed. p. 273)

people rose to protest against this type of violence the government tamed them with guns and the latest type of weapons. The Government used the Mobile Guards against the peasants and the students. It massacred the squatters and the miners who were only asking for their rights.¹³

Finally, the 1969 elections brought the left-oriented United Popular Front to power. President Allende's government began a series of much needed reforms. With the support of the people and the approval of the Constitution, he nationalized copper. As he later explained to UNCTAD III, "Chile nationalized copper, the basic resource which accounts for over 70% of its exports". The US companies Anaconda, Kennecott and others had profitted enough. As Allende pointed out to the UN General Assembly, in 42 years they had made a profit of more than 4,000 million dollars on an initial investment of less than 30 million dollars.¹⁴ But bringing the matter to the United Nations did not stop these Multinationals from doing everything in their power to regain control. "Stop this thief" they campaigned, when it was they who had robbed the wealth of Chile. They put pressure on Chile's creditors not to extend the time-limit for its foreign debts. New loans became virtually impossible to obtain. Eventually, with the help of America's CIA, a military coup overthrew the government. Allende was murdered. Thousands were slaughtered. And the author of this series only saved her life by seeking asylum in a foreign embassy.

The story of Chile is not unique. It is the story of the whole of Latin America. In fact, the basic pattern is found all over Asia and Africa. Every time poor nations have tried to re-allocate their national resources and undertake land reform, powerful interests in the rich world have thwarted their efforts.¹⁵

13. Salvador Allende : *Chile's Road to Socialism*, pp. 24-25

14. Allende's speech to UNCTAD III, 1972, *ibid.* p. 192 and Allende's speech to the United Nations General Assembly, 4 Dec. 1972

15. Susan George : *How the other half dies*, Penguin, Harmondsworth, 1977, p. 18.

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But how did such situations develop ? For example, how was it possible for the United States of America to drain so much of Chile's wealth ? How was it possible for a small group of Chileans to live in such luxury, while the peasants and the workers were deprived of basic food, shelter and education ? In brief, how was it that **the workers**, the very ones who extract natural wealth from the earth and create new wealth by their labour, **received so small a share of their country's riches** ? While they found it difficult to meet even their minimum needs, a minority could accumulate enormous wealth. ¶ And when a democratically elected government tried to correct these terrible imbalances, how was it possible for the United States (which claims to champion democracy !) to engineer the overthrow of that government through a military coup ?

We cannot answer these questions without understanding many things about society in general, and about Chilean society in particular. But this contradiction of 'a rich country with poor people', is not found only in Chile. It is the story of most Third World countries. ¶ To understand how this contradiction comes about, we must first understand the process of production. For it is through production that man satisfies his needs.

*The section on *Production* combines the *matter* of Chapter One of Marta Harnecker : *The Basic Concepts of Historical Materialism* (1969) with the *examples* of Cahier 6.1 : *Exploiters and Exploited*.

Several additions have been made by using the relevant sections of Marx, *Capital*, Volume I. In the main text, these additions and adaptations are indicated by the symbols ¶ ¶ Since only five of the footnotes (nos. 36 ff.) have been taken from Chapter One of Marta Harnecker's book, they have been identified by the initials M.H. The rest of the footnotes have been added by the translator.

When the footnotes use *short titles*, full references will be found at the end of the Introduction to the Series.

II. THE PRODUCTION OF MATERIAL GOODS*

¶ In his speech at the funeral of Karl Marx, Engels pointed out that "Marx discovered... the simple fact, hitherto concealed by an overgrowth of ideology, that mankind must first of all eat, drink, have shelter and clothing, before it can pursue politics, science, art, religion etc.; that therefore the production of the immediate material means of subsistence and consequently the degree of economic development attained by a given people or during a given epoch form the foundation upon which the state institutions, the legal conceptions, art, and even the ideas on religion of the people concerned have been evolved, and in the light of which they must, therefore, be explained, instead of *vice versa*.."¹⁶

Quite naturally then, the concept of production is a basic concept in Marxist theory. We will begin with this concept, complex though it may be. Later on, we will see how the production of material goods serves as the connecting link for the other aspects of society.¶

To understand production, we will first analyse the labour process. That means we will study the elements that make it possible to transform nature into goods that are useful for mankind.

1. The Labour Process

The labour process will be understood more easily if we start with an example that is familiar to everyone. Let us watch a tailor at work.

When a tailor sets to work, what does he do? He works on a piece of cloth and transforms it into a shirt. To do this he needs thread and buttons on the one hand, and scissors, needles and a sewing machine on the other. He also needs a place where he can work without any major disturbance. All these elements are needed to produce a shirt, and they form part of the labour process.

We speak of a labour process when objects like cloth, thread, buttons, and so on, are subjected to a process of trans-

16. Marx-Engels : *Selected Works*, Moscow, Vol. III, p. 162.

formation in order to be changed into a useful product like a shirt. This transformation is realised through the **human activity** of a tailor, who has learnt to use certain **instruments** like needles, scissors and a sewing machine, which are more or less developed from a technical point of view.

These elements of the labour process were carefully studied by Karl Marx in the first volume of *Capital**. With the help of his text¹⁷ let us now define them more precisely.

2. The Elements of the Labour Process

In every labour process that we examine, we will find the following elements :

- a) the **object** on which the work is carried out
- b) the **instruments** with which one works
- c) the **human activity** employed in the process
- d) the **product** : the result of the entire process.

Let us now examine these elements one by one.

A) The object on which the work is carried out

When we watch a tailor making a shirt, we notice that he uses cloth, thread and buttons. If any of these items is lacking he cannot complete the shirt. In ordinary language these things are called raw materials. But Marx wished to be more precise.

"All raw material is an object of labour, but not every object of labour is raw material; the object of labour counts as raw material only when it has already undergone some alteration by means of labour."¹⁸

Marx thus distinguished two kinds of **objects of labour** :

- i. **Natural Resources** or the substances which are provided directly by nature, which labour merely separates from immediate connexion with their environment. For example,

* Quotations from Volume One of *Capital* are taken from the Penguin translation. But for the convenience of readers, page references to the more easily available Russian edition are given first.

17. Marx, *Capital*, Vol. I. pp. 173-179 (Moscow); pp. 283-290 (Penguin)

18. Marx, *Capital*, Vol. I. p. 174 (Moscow); pp. 284-85 (Penguin)

the trees that grow in a virgin forest or the minerals that are found in mines are natural resources.¹⁹

In "the extractive industries, such as mining, hunting, fishing... the material for labour is provided directly by nature."²⁰

- ii. **Raw material** is a substance which has already undergone some kind of alteration as a result of previous labour. For example, the cloth, thread and buttons used by the tailor are the products of labour. So too is the wood that has been sawed into planks, or the minerals that have been purified.

Marx thus uses the term 'raw material' in a technical sense that has a narrower meaning than that of standard English usage. "With the exception of the extractive industries.... all branches of industry deal with raw material, i.e. an object of labour which has **already been filtered through labour.**"²¹

Such raw material may either form the **principal substance** of a product, or it may enter into its formation as **accessory material**. As an accessory :

- a. it may be **consumed** by the instruments of labour themselves. The tailor uses oil to lubricate his hand-driven sewing machine. Other machines need coal, diesel or electricity to make them run.
- b. it may be **added** to the raw material in order to produce some physical modification in it. For example, chlorine may have been used to bleach the yarn, and dye added to colour the cloth used by the tailor.
- c. it may help the worker to **accomplish** the work. For example, the materials needed to illuminate, cool or heat

19. See Marx, *Capital*, Vol. I, pp. 173-74 (Moscow); pp. 283-84 (Penguin)

20. Marx, *Capital*, Vol. I, p. 177 (Moscow); p. 287 (Penguin)

21. *ibid.* This distinction may seem a minor one now. But we will realise its importance when we come to study the problem of *value*.

the place of work so that the tailor may work with a minimum of comfort.

In Chemical Industries this distinction between principal substance and accessory material vanishes. In the final product, none of the raw materials that are used re-appear in their original composition.²²

As we have just seen, human labour can be expended either on **natural resources**, as mine workers do when they extract coal from the mines, or **raw materials**, as the tailor does when he makes a shirt. So these are called **objects of labour**.²³

B) The instruments of labour with which one works

If our tailor had only cloth, thread and buttons, and nothing else, he could not transform these raw materials into a shirt. In addition to all these he needs **instruments of labour**.

Marx used the term in a **strict sense** and in a **wider sense**.²⁴

- i. **Instruments of Labour in the strict sense** are things or a complex of things, which the worker interposes between himself and the objects of his labour (natural resources or raw materials). They serve as an intermediary, or as 'conductors of activity' between the worker and the objects of labour. For example, the tailor interposes a pair of scissors, needles, and a sewing machine between himself and the cloth he is working on. In a small furni-

22. Marx, *Capital*, Vol. I, p. 177 (Moscow); p. 288 (Penguin) The term 'accessory material' is also translated as 'auxiliary substance' in the Penguin translation, p. 311.

23. The Penguin edition of Volume One of *Capital* uses the term 'objects of labour' which corresponds to Harnecker's term 'objets de travail'. In some passages, for example Vol. I p. 174, the Moscow edition translates it as 'subject of labour'.

24. Marx, *Capital*, Vol I, pp. 174-176, 196-199 (Moscow); pp. 285-287, 311-313 (Penguin).

ture workshop, a carpenter uses a saw, a chisel and a hammer. In the mining industry, they use mechanical shovels.

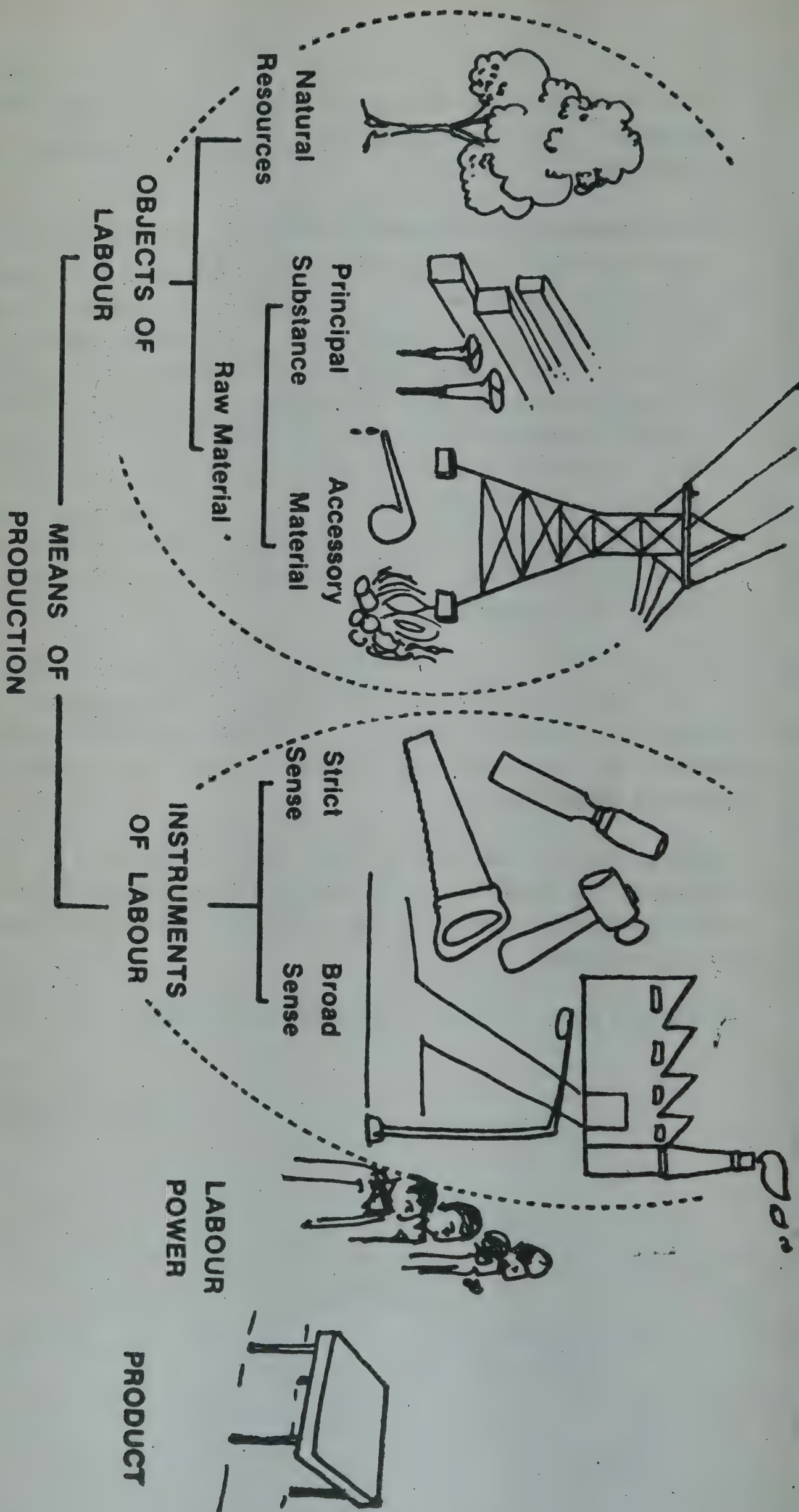
- ii. **Instruments of Labour in the wide sense** include not only the instruments just mentioned, but all the objective conditions necessary for carrying on the labour process. They do not enter directly into the labour process, but without them the labour process would either be impossible or possible only to a partial degree. For example, without a small workshop, the tailor would be exposed to the sun, rain and cold. Without land, roads and a suitable factory building the labour process in most industries would come to a standstill. Without irrigation works and canals, agriculture would not be possible in areas where the rainfall is insufficient.

In brief, without a combination of natural resources or raw materials and the instruments of labour in the widest sense, nothing could be produced. They are the material conditions necessary for any kind of labour. Hence they are called **means of production**.

When reading Marx, it is important to note that in many of his texts, he used the term 'means of production' when he wanted to indicate 'instruments of labour'. This could cause misunderstanding.

We can now sum up all this schematically :

(See chart overleaf)



Constant Capital = C

Variable Capital = V

C) The human activity employed in the labour process

We have now to analyse the last and most important element in the labour process — the human activity expended in the production of material goods. It is commonly called “work”. This “work” makes use of instruments to transform raw materials into finished products. It does this by the expenditure of a certain quantity of human energy. The tailor we have been speaking about expends **physical and mental** energy while making the shirt. The human energy expended in the labour process was called **Labour-power** by Marx.²⁵

Every labour-process involves the expenditure of labour-power. The fatigue that a worker experiences at the end of a work-day is nothing else than the physical expression of the energy spent during the labour process. Food and rest help him to recover his spent energy.²⁶

We must take care not to confuse the concept of “work” with that of labour-power. They refer to different realities. This may become clearer through an analogy. A machine does a certain amount of “work” in a given time. For example it packs a certain quantity of food into cans in a given number of hours. To perform this “work”, it uses a certain amount of **electricity**. In the same way a factory worker may pack a certain quantity of food during her eight-hour day. In doing so, she expends a certain quantity of **human energy**, which results in a given amount of “work”.

¶ In the capitalist system “the worker does not sell the capitalist his labour, but his **labour-power**, his capacity to work for a given period of time.”²⁷ The significance of this

25. Marx, *Capital*, Vol. I. pp. 45f., 51, 64 (Moscow); pp. 128, 134, 150 (Penguin).

26. Marx, *Capital*, Vol. I, pp. 536-37 (Moscow); pp. 717-18 (Penguin)

27. The quotation continues : “...This labour-power becomes a commodity under capitalism. As such it has a specific value (exchange value) as any other commodity does : the quantity of social labour necessary to reproduce it...” Ernest Mandel, Introduction in Marx, *Capital*, Vol. I, Penguin ed. p. 50.

remark will become clearer when we study capitalist exploitation. ¶

For the present it is enough to note that the human energy expended, or labour-power is radically different from the "work" done (which is only the 'return' for the labour-power expended).²⁸ Because they confused these two concepts, classical economists were unable to discover the origin of capitalist exploitation. They held that wages were the price of the "work" done by the worker. But when they came to calculate the amount to be paid as wages, they used quite a different criterion. Instead of calculating the value of the "work" done — for example, the number of shoes made — they calculated the price of the objects the worker had to consume in order to recover the labour-power he had expended. [Marx gives us a number of examples in *Capital*²⁹] These objects included not only material goods like food, shelter and clothing for the worker and his family, but also cultural goods like a radio, going to the movies or to a football match.³⁰ We will return to this question when we study surplus-value in the booklet on Capitalist Exploitation (Series 1.2).

To sum up, **human labour** and the **means of production** (which include both the instruments of labour and the objects of labour) are the essential elements of any labour process. Together they constitute the **productive forces**. So basic are they, that they are to be found in every labour process — whether it be the labour carried out by primitive tribes, or the labour that goes on in modern industry.

D) The product — result of the labour process

The product is the final object created in the course of

28. Marx, *Capital*, Vol. I pp. 45-6, 51 (Moscow); pp. 128, 134 (Penguin)

29. See Marx, *Capital*, Vol. I, pp. 501ff, 562-64 (Moscow); pp. 675 ff 748-51, (Penguin)

30. Read Ernest Mandel, Introduction to Marx, *Capital*, Vol. I, pp. 50, 66-67 (Penguin) regarding the distinction between *physiological* needs and *historical-moral* needs. The *physical capacity* to work can be restored by the food inputs which compensate for the loss of energy. But the *willingness* to work at a certain rhythm and intensity etc. also depends on the working class receiving its 'habitual' standard of living.

the labour process. It is obvious that such products must have a **use-value**, otherwise there would be no need to produce them. By use-value we mean every object "which through its qualities satisfies human needs of whatever kind", whether physiological or social.³¹

"Nor does it matter here (writes Marx) how the thing satisfies man's need, whether directly as a **means of subsistence** i.e. an object of consumption, or indirectly as a **means of production**."³²

Though every product has a use-value, the reverse is not necessarily true. Not everything that has use-value can be called a product. There are objects which satisfy human needs without having undergone any previous transformation by labour. For example, the air we breathe is necessary for man, and has a high use-value, but it cannot be called a product. The same is true of the water in rivers, virgin soil, natural meadows, unplanted forests.³³

When an object is produced not for direct consumption, but to be exchanged in the market, it is called a **commodity**.

"A thing can be useful (wrote Marx) and a product of human labour, without being a commodity. He who satisfies his own need with the product of his own labour admittedly creates use-values, but not commodities. In order to produce the latter, he must not only produce use-values, but use-values for others, social use-values."³⁴

31. Marx, *Capital*, Vol. I, p. 43 (Moscow); p. 125 (Penguin)

32. *ibid.* pp. 43, 344-347 (Moscow); pp 125, 486-89 and 979-85 (Penguin),

33. Marx, *Capital*, Vol. I, p.48 (Moscow); p. 131 (Penguin) Ironically, such goods which are provided outside the economy begin to diminish with economic 'development'. While fresh air is a free utility in most economic systems, it may cost several thousands of rupees in a polluted city—because of the need of an air-conditioner. Hence the quip: "the best things in life come free, while supplies last". See G. Djurfeldt and S. Lindberg *Behind Poverty*, Oxford and IBH, New Delhi, 1976, p.85. (Tr.)

34. Marx, *Capital*, Vol I, p.48 (Moscow); p. 131 (Penguin).

Several readers of Volume One of *Capital* misunderstood Marx. They thought he meant that every product consumed by someone other than the producer was a commodity. So Engels added the following words to make Marx's meaning more explicit : "In order to become a commodity, the product must be transferred to the other person, for whom it serves as a use value, **through the medium of exchange.**"³⁵ (See Appendix II : the two-fold value of commodities.)

3. The Role of the Instruments of Labour

We have seen in the previous section that every labour process is a structure composed of **three** fundamental elements — **labour-power**, the **objects of labour** and the **instruments of labour**. These three elements establish definite relations among themselves.

Of the three, the instruments of labour in the strict sense are the most important. For they not only determine the kind of activity which the individual must perform in order to manufacture products, but they also determine the kind of relations established between the worker and the means of production.

For example, agricultural work changes drastically with the introduction of a tractor. Instead of dozens of workers guiding ploughs and oxen, it is enough for one man to operate a tractor to produce the same result. What is more, his labour ceases to be 'manual'.

¶ When we compare the price of a wooden plough and a pair of bullocks with the price of a tractor, we are led to ask several questions. Who can afford to own a tractor in India? Would a farmer using a plough be able to compete with another owning a tractor? What effect would mechanisation have on the labour force?

When a tractor is introduced into an Indian village, what happens? It often means that the men who are responsible for ploughing the land have less work to do. Whereas the

35. Marx, *Capital*, Vol. 1, p 41 (Mosc) p 131 (Peng)

women who are responsible for weeding and gleaning have more work to do. Since women are paid less than men, it is not difficult to guess who gains. The introduction of a technological improvement into an unequal situation tends to increase that inequality.³⁶

That is why Marx affirmed: "It is not what is made, but **how and by what instruments of labour**, that distinguishes different economic epochs." He then added: "Instruments of labour not only supply a standard of the degree of development which human labour has attained, but they also indicate the **social relations** within which men work."³⁷

We must note, however, that though the instruments of labour are the determining elements in the labour process, they do not always occupy the **dominant** place in the structure of this process.

In countries with a low level of technology, it is labour-power which occupies the dominant place. This happens not only in primitive societies and in slave society, but also, in general, in societies called "under-developed". It is different with advanced capitalist societies. There the means used are highly specialised machines which dominate the entire process. They subordinate the worker to their own rhythm, changing him into an automaton. They also introduce many other changes into society.

When we study the 'relations of production' in greater detail (in booklet 3.1) we will return to the place of the instruments of labour and labour-power in production.

4. The Labour Process and the Production Process

So far, we have studied the simple, general elements which are part of every labour process. But we have not taken into account the concrete historical conditions in which this process takes place. Consequently, we have not looked at the worker in his relationship to other workers.

36. See Editorial, *New Internationalist*, May 1978, p.3.

37. Marx, *Capital* Vol. I, pp. 175-76 (Moscow); p.286 (Penguin) Italics added. M.H.

But, as Marxism holds, men are not alone or isolated in their struggle to transform nature. When they enter the labour process, they also enter into definite relations with one another — either relations of co-operation and mutual aid, or relations of exploitation. Or at least, relations which are a transition between these two extremes. These relations which men establish between themselves determine the character of the labour process in a historically determined society. There is a vast difference between the work done under the whip of a slave-master and the work done under the vigilant eye of a capitalist.

These relations Marx termed the '**relations of production**'. He insisted that every labour process takes place within the framework of definite production relations. In other words, man does not transform nature in an isolated effort. Rather, the manner in which he transforms nature is determined by the kind of relations he develops in the labour process.

In so far as the labour process is realised within the framework of definite relations of production, it is called a process of production. We owe this distinction between the labour process and the production process to Charles Bettelheim.³⁸

It is a distinction which helps us to understand why Marx refused to speak of production in general. For him production-in-general did not exist. It was an abstraction. Production was always historically determined. "Thus, when we speak of production, we always have in mind production at a definite stage of social development..."³⁹

5. Division of Labour

In any social production, we find a division of tasks, i.e. a division of labour. The greater the complexity of society, and the higher the level of development, the greater becomes this differentiation of tasks.⁴⁰ ¶ It was very different in primitive

38. Charles Bettelheim, *Economic Calculation and Forms of Property*, Routledge and Kegan Paul, London, 1976, pp. 109-110 M.H.

39. Marx, *Introduction to a Critique*, Moscow, pp. 189-90. M.H.

40. See Marx, *Capital*, Vol.I, pp.331f. (Moscow); p. 471 (Penguin)

societies. When the German explorer Karl von der Steiner was making his way through the jungles of Central Brazil, the natives he met were constantly asking him the same question. They wanted to know whether he himself had made his trousers, his mosquito net and the other things he was using. They were very surprised when he told them that he had not. For in their simpler society, everything they used was the product of their own hands.⁴¹ ¶

Modern society is remarkably different from such primitive societies. It comprises a three-fold division of labour :

- 1) the division of production in society,
- 2) the technical division of labour,
- 3) the social division of labour.

1) By the **division of production in society** we mean the division of social production into different branches, sectors and spheres. For example, we have the division between agricultural and industrial labour; within industrial labour we have the division between metallurgy chemical engineering, textiles and so on; then there is the obvious division between industry and trade.⁴² See Appendix I : What work do people do ?

2) The **technical division of labour** is the division of labour within one and the same production process.

This technical division of labour is particularly developed in modern industry. Each worker or group of workers concentrates on a specific task, which is only a part of the whole process. In the automobile factory, for example, there are hundreds of sections which complement each other in producing the final product — the car for the show-room. No single worker can boast that the final product is his work. It is the common product of all the workers in that factory.

41. This example is quoted by Ernest Mandel, *Marxist Economic Theory*, Merlin Press, London, 1968, Vol. I, p. 25.

42. Marx, *Capital*, Vol. I, pp. 33ff. (Moscow); p. 471 (Penguin)

This technical division of labour within the same production process leads to greater efficiency, and to an enormous increase in the productivity of labour.⁴³

Eventually, the technical division of labour can lead to a division of social production (no. 1 above). This is what happened to the chemical industry. It began as a simple technical division of labour within the process of textile production. Then it became an autonomous branch, and finally a veritable industry for Chemicals.

But how do we distinguish between a technical division of labour and a division of social production? Marx gives us the fundamental criterion in the section of *Capital* where he refers to the division of labour and manufacture.⁴⁴

What characterises a technical division is the fact that these specialised tasks taken in isolation do not produce commodities i.e. use-values which can be exchanged in the market. Each specialised labour produces only a part of the final product. It is the final product — the result of collective labour — which becomes a commodity.

That is why, in the initial stages, the chemical activity which was a specialised task within the textile industry was merely a technical division of labour. The objects produced by this activity did not enter the market. They were directly incorporated into the process of textile dyeing. The situation changed once chemical activity became independent of textile

43. Contrary to popular belief, the *assembly line* was not invented by Henry Ford. Here is how Adam Smith (1723-90) described an assembly line for making pins:

"One man draws out the wire, another straightens it, a third cuts it, a fourth points it, a fifth grinds it at the top for receiving the head; to make the head requires two or three distinct operations; to put it on is a peculiar business, to whiten the pin is another; it is even a trade by itself to put them into the paper." Adam Smith calculated that 10 men dividing the labour could make 48,000 pins a day, 4,800 pins a piece. One man doing all the operations would make 20 perhaps. Diderot's *Encyclopedia* (18th Century) even carried a detailed illustration of the process. [quoted by J.K. Galbraith, *The Age of Uncertainty*, B.B.C., A. Deutsch, 1977, p 23]

44. Marx, *Capital*, Vol. I, ch.14, specially pp. 335f. (Moscow); p.475 (Penguin).

production, and set itself up as an autonomous industry. From then on, its products were placed on the market. They were no longer at the service of any single production process. Thus, from having been a technical division of labour, Chemicals became a division of social production.

It is important to notice that the technical division of labour need not concern one and the same production unit. It is one thing to have a division of labour within the same production unit (a factory or a workshop), and quite another to have this division of labour within the same process of production.

As the productive forces develop, and acquire a more socialised character, units of production which formed autonomous cells, within the division of social production, become more and more interdependent. Once production is in progress, the relations between them can no longer be left to the whims of the market. They have to be determined beforehand. They have to be regulated and foreseen in advance by careful planning. When this happens, the destination of the products is pre-arranged in a socially conscious manner. Now the units of production are no longer autonomous. They are organically linked by a technical division of labour, but at a far higher level.⁴⁵

This is how industrial combines function in socialist countries. For example, the extraction, refinement and distribution of petrol constitutes a single production process. Within this process, the various units of production are no more than technical divisions of labour — for only the final product reaches the market. During the various stages of production, there is neither buying nor selling. Following a pre-determined plan, there is only the transfer of products from one unit to another.

3) The **Social Division of Labour** is the distribution of different tasks which individuals accomplish in society — econo-

45. See Charles Bettelheim, *La Transition vers l'économie Socialiste*, Maspero Paris, 1968, pp.57-58. The subject is dealt with in several chapters of the book. M.H.

mic, political or ideological tasks — in function of the position they occupy in the social structure.

Historically, this social division of labour began with the division between manual and intellectual work. The latter was open exclusively to those who came from the ruling class.⁴⁶

Today how does this division function in capitalist production? We find specialised workers, technicians, engineers — all performing definite technical functions. But the allotment of the members of society to these different functions does not depend solely on technical criteria, like superior aptitude or better preparation. It depends on social criteria: certain social classes have access to these functions, others do not.

As we will see later (in Series 3.1) it is the social relations of production which determine the social division of labour.⁴⁷

46. Long before the rise of a ruling class, there had existed a rudimentary division of labour that can be observed at all stages of mankind's economic development - *the division of labour between the sexes*. Men and women performed different sets of tasks. Obviously, age also had to be taken into account. See Ernest Mandel, *Marxist Economic Theory*. Merlin Press, London, 1968, Vol.I, pp. 26, 49.

47. *Suggested Reading* (M.H.)

Marx, K. : *Capital*, Volume I pp. 173-180 (Moscow 1974 ed.) pp. 283-292 (Penguin ed.) regarding *the labour process*.

pp. 318-339 (Moscow 1974 ed.),

pp. 455-480 (Penguin ed.) regarding *the division of labour*.

Althusser, L. : The Object of Political Economy, ch. 7 in *Reading Capital* NLB, pp. 170-174 regarding the labour process.

Bettelheim, Charles: *Economic Calculation and forms of property*, Routledge and Kegan Paul, 1976, Part, 2 ch, 2, pp. 108 ff.

* Apart from the additions, indicated by the symbols ¶ ¶, the rest of this booklet has been translated from M. Harnecker, G. Uribe et al, Cahier 6.1 : Exploiters and Exploited, pp. 6-15. The sections that follow are treated more at length in Series 3.

ORGANISATION OF LABOUR IN MODERN INDUSTRY

CAPITALIST



MANAGER



SUPERVISORS



ETC.



WORKERS

6. The Organisation of Labour in Modern Industry

To illustrate the elements in the labour process, we started off by watching a tailor making a shirt. But even that simple example led us on to consider the division of labour in modern society. Sooner or later, we would have noticed that there is a vast difference between the isolated labour of the tailor we spoke about and the collective labour of thousands of workers in a modern factory.

An isolated worker does all the work alone. The tailor produces the entire shirt by himself and has complete control over his work. He decides when, where and how to work. But that does not happen in a large modern factory. There the degree of specialisation is so great, that the workers are divided into groups and assigned to perform specific tasks, tasks that are complementary to each other. The end-product is the result of the collective labour of all the workers, and no worker can claim it as his sole achievement.

It is important to notice that when there is such specialisation of tasks, it demands the presence of another group of workers whose main function is the co-ordination of all these specialised tasks. Their function resembles that of the Conductor of an orchestra, who co-ordinates the entry of various musical instruments at the appropriate moment. In other words, in a modern factory, precisely because there is a specialisation of tasks, there must also be functions of co-ordination and control. These functions extend from the factory floor right up to the highest level. At the top we have the General Manager, and in-between the administrative and technical cadres.

We have used the term "cadres" to refer to those workers in industry who are placed between the owners and the workers. They too are workers. But in any labour process that involves a specialisation of tasks, we have to distinguish between two kinds of workers — those who perform specific tasks in the direct transformation of raw material, and those

who accomplish functions of co-ordination and control, whom we have called "cadres".⁴⁸

Conclusion

This section has made it clear that without labour nothing can be produced. But man cannot labour without the means of production.

Having defined the elements involved in the labour process, the division of labour in society, and the organisation of labour in modern industry, we must now return to our initial question. If it is the workers who extract wealth from nature, and are conscious of creating new wealth through their labour, why is it that they themselves enjoy so little of that wealth? Why does the major portion of the wealth produced by the workers fall into the hands of a small minority?

We cannot answer this question until we understand the meaning of the private ownership of the means of production, and the social relations of production.

III. THE SOURCE OF ALL EXPLOITATION

Private Ownership of the means of Production

We have just asked why the major share of the wealth produced by the workers falls into the hands of a small minority? We can only answer that question by asking another

48. As Mandel points out, the capitalist becomes both the *organiser* of a precise technical process, and the *commander of a mass of workers* who have to be "supervised." In order to do this effectively, he perfects the organisation of labour, introduces intermediate rungs, groups the workers into teams under leaders, makes use of foremen, and workshop managers, technicians and engineers. Otherwise, he complains, the workers do not carry out their allotted functions; they waste time, spoil or steal raw material, and do their work carelessly.

So in addition to a purely technical division of labour, there develops a *social hierarchic division of labour*. There are *those who give orders* and *those who carry them out*. Professor P. Sargant-Florence has drawn a parallel between the hierarchy of the Church, the pyramid of military ranks and the organisation of a modern factory. (See Ernest Mandel, *Marxist Economic Theory*, Merlin Press, London, 1968, Vol. I, p. 140)

question: In whose hands are the means of production? The obvious answer is that they are not in the hands of the workers.

But why is that so important? Because the means of production are the material conditions necessary for any production. Without them man cannot produce anything. Consequently, those who have succeeded in concentrating in their own hands the means of production are in a position to compel those who do not possess these means to submit to the working conditions fixed by them.

To clarify this let us take an example.

Let us suppose there is a farmer who owns a piece of land that is big enough for himself and his family. He also owns the necessary instruments of labour — ploughs, bulls etc. Such a farmer can work independently — without being obliged to offer his labour-power to anyone else.

But a landless labourer, the son of a small farmer whose land is not sufficient for his family's subsistence, is in a very different situation. He is obliged to search for work in the surrounding areas. He offers his labour-power to landowners who need wage-labour to cultivate their large land-holdings. Driven by the need to survive, the landless labourer has to accept the working conditions offered by the landowner. He accepts a subsistence wage, while he sees the landowner appropriate the larger share of the fruit of his labour. (In the booklet on Capitalist Exploitation, Series 1.2, we will examine the reasons for this more closely.)

The same thing happens with industrial workers. In order to survive, they have to offer their labour-power to the capitalist for a fixed wage. Enormous profits are made through their labour, but these do not go to the workers. They go to the industrialists. Should the workers protest, the owners say, "Why are you complaining? I have hired you to work for eight hours a day at this wage. Do I not pay you the amount we have agreed upon?" Should the workers continue to bargain, the owners can blackmail the workers. They can say

to the workers, if you do not keep quiet, we are going to close down, or throw you out, or move to another part of the country where labour is cheaper and more co-operative. The ultimate argument always is : "Do I not own the factory ? If you are not happy with the working conditions here, you may look for work elsewhere."

But the workers know that they will be told the same story elsewhere. So they resign themselves to enriching the owner of the means of production.

From these examples, we can see that in the labour process there always emerge specific relations between the owners and the workers. Those who own the means of production exploit those who do not own these means.

This happens not only in the capitalist system, but also in systems prior to capitalism. In **slave society** the Master was not only the owner of the land and of the other means of production, he also owned the men. Those who worked his land, or manned his ships, or served in his mansions were looked upon as mere instruments of labour. The Master (or his overseer) forced them to work to the point of exhaustion. If he allowed them food and rest, it was only to permit them to regain the energy that they had lost, so that they could resume working the following day. ¶ In extreme examples, even the miserable pittance of the slave was not provided by the Masters. The slave had to work for it on the seventh day of the week. In such cases, even the most skeptical critics of Marx will find it hard to doubt that the whole social product was the fruit of slave labour. It was brute force — the crack of a whip or the threat of death — which kept the slaves subject to their masters.

When the **feudal system** prevailed in Europe the most important means of production was land. Its owners, the feudal lord or the Church, granted 'enough land to support the peasant and his family'.

The grant took various forms, but in general it meant :

- a. a plot of ground with a house on it
- b a piece of cultivable land
- c. a share in the product of the common lands.⁴⁹

In return for this share of the land, the peasants were obliged to work on the estates of the feudal lord or the Church without any remuneration. On the average, in the Early Middle Ages (in Europe) three days a week were spent working on the lord's lands, and three days on the peasant's own land.⁵⁰

As Marx pointed out, "the slave works with conditions of labour belonging to another." But in the feudal system "the direct producer is here in possession of his own means of production... he conducts his agricultural activity and the rural home industries connected with it **independently**".

"Under such conditions," noted Marx, "the surplus labour can only be extorted from them by **other than economic pressure**, whatever the form assumed may be."⁵¹

It has been argued that in such a system (generally called serfdom) the serf was offering unpaid labour 'in exchange' for secular or divine protection. But no one would confuse this exchange with what goes on in the market-place. Such protection cannot be 'priced' and it was not 'bought' by the serf. It was in no way an economic exchange. Whether the serf liked it or not, it was an **extortion** imposed on him by the social set-up. It was imposed either by military strength, or by custom backed by legal or religious sanction. In other words, the income of the the ruling class **obviously** came from the **unpaid labour** of the serfs — whether this was appropriated in the form of labour services, or of dues in kind or money.⁵²

49. Kohachiro Takahashi, A Contribution to the Discussion, in Rodney Hilton et al., *The Transition from Feudalism to Capitalism*, Verso, London, 1978, p. 73

50. Ernest Mandel, *Marxist Economic Theory*, Vol. I, p. 61.

51. Marx *Capital*, Moscow, Vol. III, pp 790-91, italics added.

52. This points is taken from Ernest Mandel. Introduction, in Marx, *Capital* Vol. I, Penguin, pp. 46-47

Compared to what happened in slave or feudal society, everything in capitalist society is much more complicated and obscure. In the examples of capitalist exploitation given above, there is no visible force used. There is no overseer cracking a whip, nor is there a band of armed men forcing the worker to surrender what he owns. The relationship of the worker to the capitalist who employs him seems to be a purely contractual one. The worker appears to sell his labour-power in exchange for a wage. Before the law he is free — both to choose his master and to change masters. He is not under any obligation other than that imposed by the workcontract. This is how capitalism works at the level of appearances.

But probing beneath the surface, Marx made some startling observations :

“Under the corvee (feudal) system... the labour of the serf for himself, and his compulsory labour for the lord ... are demarcated very clearly both in space and time. In slave labour, even the part of the working day in which the slave... works for himself alone, appears as labour for his master. All his labour appears as unpaid labour.

“In wage-labour, on the contrary, even surplus labour, or unpaid labour, appears as paid.

“In the one case, the property-relation conceals the slave's labour for himself; in the other case the money-relation conceals the uncompensated labour of the wage-labourer.”⁵³

Furthermore, inspite of all the propaganda about ‘freedom and equality’, one is bound to ask the question : Do the workers and the capitalists meet on equal terms ? And who is really free — the worker who is dispossessed of all the means of production or the capitalist who owns these means? Eventually one has to admit that there is an institutional inequality between the worker and the capitalist which affects

⁵³ Marx, Capital, Vol. I, pp. 539-540 (Moscow), pp. 680 f (Penguin) .

the most basic rights of the worker. It affects his right to food, shelter, clothing and education, and ultimately his very right to life.

Unlike the serf in feudal society, the modern worker is divorced from all the means of production.⁵⁴ He has no means of providing for his own subsistence. He has no access to large stocks of food, no reserves of money that will maintain him indefinitely. He must either sell his labour-power or starve. In other words, he is under an **economic compulsion to work for a wage**.⁵⁵ On the other hand, the capitalist who owns the means of production is **not forced** to buy labour-power unless it is profitable for him to do so. If it is not profitable, he may prefer to wait, or to lay off workers, or even to close down the factory for a time.

Since he owns the means of production, the capitalist can exploit the workers. He can appropriate the products of the workers' labour without the use of physical force. The **compulsion** that once appeared as an overseer wielding a

54. This situation in which a small minority has monopolized the means of production was not the result of the natural inequality of talents and inclinations' as some think. In fact upto recent times the majority of mankind had some access to its means of production and livelihood. As Marx pointed out, this separation of the producer from his means of production was the result of a long and violent process. It is analysed in detail in Part Eight of *Capital* Volume 1, 'So-called primitive accumulation'. (See Mandel's Introduction to *Capital* referred to above)

55. Where such economic compulsion is absent, as when large stretches of free land are still available, capitalism cannot flourish. "By hook or by crook," notes Mandel, "the bourgeois class suppresses access to that free land." In his chapter on colonization, *Capital*, Volume 1, ch. 33, Marx develops this point with telling effect. Since he wrote those pages, the history of Africa, especially of South Africa, but also of Portuguese, Belgian, French and British colonies, strikingly confirms his analysis. Repressive *legal* and *political* compulsion ensured the necessary manpower to the capitalists... through the large-scale appropriation of land by white settlers and colonial companies, the herding of Africans into 'reserves' and the imposition of money taxes in essentially non-monetary economies. (See Ernest Mandel, Introduction, in Marx, *Capital*, Volume I, Penguin ed., p 48)

whip (in slave society), or as a band of armed soldiers or religious sanctions (in feudal society) has become **institutionalized in the economic structure itself**. As we will see later on, it will only appear again as physical force if the economic structure is seriously threatened.⁵⁶ ¶

So far we have briefly examined the forms that exploitation took in slave society, in feudalism and in the capitalist mode of production. But exploitation did not always exist. Among primitive peoples where only the bare necessities of subsistence were produced, there was no private ownership of the means of production. These means of production belonged to the community, and the fruits of the labour of the members were shared equally by all (primitive communism). Among these primitive peoples, there were no relations of exploitation but only relations of mutual aid and collaboration.

Consequently, exploitation is not eternal. It has a well determined historical origin and existence. It appears when a group of individuals succeeds in concentrating in their own hands the important means of production. In order to do this, they have to expropriate or dispossess the major portion of the population of these means. (This could only start happening when economic development led to the development of the productive forces, and a **surplus** was created. That is, more products were produced than was necessary for immediate consumption. This surplus was appropriated by a small minority.)

¶ Marx first ran into this problem between 1842-3, when he began to tackle a new German law on the theft of wood. From ancient times, the people of the Rhineland (Germany) had collected wood in the forests. Now with increasing population and prosperity, the wood had become valuable, and the collectors a nuisance. So the privilege was withdrawn. Wood became private property. 80-90% of the prosecutions in

56. Besides Mandel's Introduction to the Penguin translation of Volume 1 of *Capital*, see also Maurice Dobb. *Studies in the Development of Capitalism*, Routledge and Kegan Paul, London, 1946, Rev. ed, 1963, p. 36.

Prussian courts were for theft of wood. Commenting on this, Marx wrote :

"If every violation of property, without distinction or more precise determination, is theft, would not all private property be theft? Through my private property, do I not deprive another person of this property? Do I not violate his right to property ?" ⁵⁷

As he studied the problem more deeply, Marx began to realize that this "artificially caused poverty" — a mass of people who own nothing — was the pre-condition for the existence of capitalist (bourgeois) property and the exploitation of the workers

Exploitation would only disappear when the private ownership of the means of production disappeared, that is, when the means of production became the collective property of the entire people.

So when they drew up the *Manifesto of the Communist Party* in 1848, Marx and Engels wrote : 'The French Revolution abolished feudal property in favour of bourgeois property. The distinguishing feature of Communism is not the abolition of property generally, but the abolition of bourgeois property... You are horrified? But in your existing society, private property is already done away with for nine-tenths of the population; its existence for the few is solely due to... the non-existence of any property for the immense majority of society.'" ⁵⁸ ¶

57. Quoted by D. McLellan, *Marx, his life and thought*, Harper, N.Y., 1973, p.

56. See Marx's own reference to the evolution in his thinking in Marx-Engels: *Selected Works*. Moscow, Vol. I, p. 502; and Ernest Mandel *The Formation of the Economic Thought of Karl Marx*, Monthly Review Press N.Y., 1971, pp. 12-14.

58. K. Marx and F. Engels, *Manifesto of the Communist Party* (1848) in Marx-Engels: *Selected Works*, Moscow, Vol. I, pp. 120-122.

Marx made a clear distinction between two kinds of private ownership of the means of production. There is private property which is personally earned, and there is capitalist private property. The first kind is the *property of the direct producer*, of the worker who owns

his own means of production. For example, the peasant who owns the land he himself cultivates, or the artisan who owns the tools he handles so expertly. This kind of property rests on the labour of the producer himself. Consequently it is small and fragmented. It does not encourage co-operation, the division of labour, the social control of nature and the free development of the productive forces. To perpetuate it, says Marx, would be "to decree universal mediocrity". At a certain stage it produces the conditions of its own destruction.

Capitalist private property is the antithesis of this. In fact it can only grow on its tomb. For primitive accumulation, which forms the pre-history of capital, involves the *expropriation* of the immediate producers. It brings about the dissolution of private property based on the labour of its owners. Through this historical process, "written in the annals of mankind in letters of blood and fire", the dwarflike property of the many becomes the giant property of the few. Having *expropriated* the direct producers, the continued growth of capitalist property depends on the *exploitation* of the labour of the expropriated. (Marx, *Capital*, Volume I, ch. 26, p.669; ch. 32, pp. 713f; ch. 33, p. 716 et passim (Moscow); pp. 875, 927 f, 931 [Penguin].

In spite of these differences, capitalists and their ideologues like to confuse these two kinds of private ownership. *Economically*, of course, they are opposed to the private property of the direct producer because it is an obstacle to the growth of capitalist production in agriculture and industry. But *ideologically* and *juridically* they perpetuate the arguments that defend property based on labour [petty bourgeois ownership]. In fact, they do not hesitate to use those same arguments to defend capitalist property. [Marx, *Capital*, Vol.I, Appendix, pp.1,083f Penguin edition only]. Neither do they hesitate to spread the fear that communism will strip *everyone* of the little they have earned by their hard work.

"The greatest obstacle the revolution has in Latin America is a fear of 'communism'. Even the poor have this fear," writes Ernesto Cardenal, the Nicaraguan priest-poet. "I knew a very poor campesino in Nicaragua who feared communism because they were going to take away his chickens. The Church has contributed greatly to the inculcation of this fear in the people. Now the Church can be a very important factor in taking away this fear and thus speeding up the revolution." He then points out that just as there is a counter-revolutionary interpretation of the Bible, there can also be a revolutionary one. "Jesus' words about turning the other cheek can be interpreted as not struggling against those who oppress the people... (But) once when that phrase of Jesus was being discussed, a young campesino... interpreted it like this: 'It means that if the revolution has taken one piece of property from a rich man, he should hand over the other property as well.'" [Ernesto Cardenal : Preface: Revolution and theology, in Hugo Assman : *Practical Theology of Liberation*, Search Press, London, 1975 pp.1-4].

IV. The Social Relations of Production*

It should be clear by now that in any production process, specific relations are established between the owners of the means of production and the workers. These relations are called the 'social relations of production', and there are two basic types. There are relations of exploitation, and relations of mutual collaboration.

a. Relations of Exploitation

Such relations exist when the owners of the means of production live off the labour of the workers.

The principal exploiter-exploited relations are the following:
Slave Relations in which the Master is not only the owner of the land and the instruments of labour, but] also of the slave and his labour-power.

Feudal relations where the feudal lord is the owner of the land, and the serf is dependent on him. For a fixed number of days in the year, the serf has to do free work for the feudal lord. (Labour services were later changed into dues in kind or money.)

Capitalist relations where the capitalist owns the means of production, and the worker owns none of these means. In order to survive, the worker is obliged to sell his labour-power.

b. Relations of reciprocal Collaboration

These relations exist when there is social (common) ownership of the means of production. No section of society exploits the other sections.

¶ Studies have shown that such relations of mutual

* This dimension of the Production Process will be developed at greater length and more systematically in Booklet 3.1.

collaboration existed in primitive societies. The broad outlines of their collaboration have been brought to light by the research of anthropologists, ethnographers and archaeologists.

As long as there was no adequate supply of food, all had to devote themselves to seeking and producing food. There was no true social division of labour, no specialisation into different **crafts**. Specialised crafts demand a long apprenticeship and a specialised knowledge of techniques. Hence in such primitive societies, archaeologists have only found remnants of crude pottery and weaving.

The co-operative organisation of labour meant :

- i. the carrying out in common of certain economic activities like building huts, hunting the larger animals, making paths, cutting down trees, breaking up new land.
- ii. mutual aid between different families, like helping each other in their fields etc.

This meant that no adult could stay away from sharing in labour. The work was planned by the community in accordance with customs and ancient rites, which were the outcome of an intimate knowledge of the environment.

These customs and the code of honour of the tribe were opposed to any **individual** accumulation in excess of the average. In fact, ceremonial gifts and harvest feasts were meant to ensure an equal sharing of food and other products among the members of the community.

All this also implies the absence of a 'ruling class'. If there was a chief, his role was to see to the correct fulfilment of their rites and customs. ⁵⁹ ¶

59. See Ernest Mandel, *Marxist Economic Theory*, Merlin Press London 1968, Vol. I, pp. 24-32, 49.

According to Marx, such relations of mutual collaboration must also characterise communist societies. Of course, at a much more advanced level.

Not merely human relations

It is important to stress that the relations established among men in the production process are not merely social relations. They are relations between agents of production, ie. between people who perform well-defined tasks in the production of material goods. They depend on how these agents are linked to the means of production — whether as owners or as non-owners.

Relations between men are therefore mediated by their relations with determined objects — the means of production. As long as the means of production are appropriated by a few, the relation between those who own and those who do not own cannot cease to be a relation of exploitation and oppression. It cannot but be an antagonistic relation, in which the interests of one group is radically opposed to the interests of the other group. **The interests of the exploiters will be to continue the exploitation of the workers**, so that they may go on enjoying their privileged position. **The interests of the workers will move them towards the destruction of these conditions of exploitation.**

Once this is understood it destroys the illusion of those who think in terms of a "collaboration between owners and workers" ! The relations between owners and workers cannot be fraternal as long as their relations with the means of production remain the same. There can be no fraternal relations as long as capitalist private ownership of the means of production is not abolished, and the "owner" does not cease to be an "owner".

For these relations are established independently of human will or desire. The capitalist exploits and will continue to exploit the worker, even against his own will, even if he personally does not wish to do so, even if he fights against such exploitation. He has to do it, because the laws of the

system are inflexible. For instance, if the capitalist pays very high salaries, and in spite of this, keeps the same prices in the market, he will gain nothing except a decrease in his profits. But as a portion of the profits is necessary for re-investment in the factory — to update its technology — this capitalist will lag behind. Very soon he will no longer be able to compete with the lower prices of those who have improved their technology.

So in the capitalist system, there is only one alternative — either the exploitation of the worker, or the death of the capitalist.

When we say that it is necessary to destroy capitalist relations of production, or to bring about the death of private enterprise, **we do not mean** the physical elimination of the capitalist. We mean something quite different. What must disappear is not the person of the capitalist, but the function of exploitation which he exercises. If the capitalist accepts to be expropriated, and offers his services to the new economic system, he will disappear in so far as he is a capitalist and an exploiter. But he will not disappear as a human being. On the contrary, he can play a very positive role in the service of the new society.

V. Reproduction of the Social Relations of Production

The role of the State and Ideology*

The relations established between men in the production process tend to reproduce themselves continually. This means that such relations tend to re-create the conditions in which Masters and slaves, feudal lords and serfs, capitalists and workers continue to exist. But while these relations reproduce themselves, they also develop internal contradictions which eventually become the material conditions of their destruction

* For a more extended treatment of the Ideological Structure see Booklet 3.2; and for the Political and Juridical Structure see Booklet 3.3.

But how do the capitalists succeed in exploiting the majority of the people? How do they go about continually reproducing the relations of exploitation?

We have already seen how the concentration of the means of the production in the hands of a minority explains the exploitative situation in which the workers live. But the owners of the means of production do not possess only economic power. Thanks to their economic power, they also control other aspects of society.

The State, for example, is not a neutral apparatus at the service of the whole of society, as the capitalists would like us to believe. The State has always served the interests of those who possess economic power. All over the world, capitalist governments have used the armed forces and the police to crush the workers, when their struggle challenged the system of domination. Innumerable massacres, where workers have shed their blood, are silent proof of this.

The workers also know from experience that there is no equal justice for all. There is one law for the rich, and another law for the poor. If a worker breaks the law, he is condemned to many years in prison. If a capitalist breaks the law, he succeeds in squashing the affair with the help of money. If he is not freed on bail, or on parole, the sentence he gets is very mild.

So beside controlling economic power, the owners of the means of production also control the State and the entire government machinery — the armed forces, the police, the judiciary and government officials. In brief, **they not only possess economic power but political power.**

More than this, the owners of the most important means of production, also control the radio, the newspapers and television. In a word, they control the mass media of communication. They even control the content of education at various levels.

Through this control of the means of education and of the various channels for diffusing ideas, the owners of the means of production mislead the people.

Through various ways, they convince their audience that the exploitative system in which they live is good for the country's "progress". If there are any bad effects, if there are people living in misery, it is not because of any defects in the system, but because of failures in the poor. It is their laziness, alcoholism, lack of personal initiative, or intellectual backwardness that is responsible for their misery. If they were really willing to learn, to work hard, to use their money wisely they could live a "decent" life. As if in proof of this, from time to time, a "rags to riches" story will make the headlines.

This control over the mass media and the educational system is called **ideological power**.

Both ideological and political power are at the service of the economic interests of the capitalists. They are at the service of reproducing the relations of exploitation, so that the capitalists may continue enriching themselves at the cost of the labour of the workers.

In other words, we maintain that there is no diffusion of ideas which is neutral. There is no State which is at the service of all the people. The structures of society — particularly the State and ideology — are at the service of the economic interests of the exploiting classes. The conclusion is obvious. One cannot eliminate private ownership of the means of production without destroying the political and ideological power which defends it.

VI. The Mode of Production

Infrastructure and Superstructure

To explain the social inequalities in sharing the wealth of society, we have found it necessary to study how material goods are produced. In every society, the production of these material goods takes place within the framework of determined relations of production — slave, feudal or capitalist.

These relations of production do not change everyday. On the contrary, they tend to maintain and reproduce themselves. This tendency is re-inforced by the other levels of society — the State, the legal structure and ideology.

All these elements put together constitute a society. So every society is a complex reality, in which different levels interact in its functioning. But not all these levels — economic, political, juridical and ideological — have the same importance. We have already noted that the economic level is the fundamental one. In other words, the way in which men produce material goods, and the relations which are established between them in this process of production, determine the functioning of society as a whole. In particular, the relations between the owners of the means of production and the workers give us the best clue to the secret of society. They help us to understand why the State takes a determined course, or why certain types of ideas prevail at a particular stage.

This was the great contribution of Marx and Engels — the discovery that the organisation of every society is based upon the form in which men produce material goods; or more precisely, that society is organised around the relations of production which are established in the production process. We have already seen how the continuous reproduction of these relations requires the intervention of political and ideological elements, and how the State and the dominant ideas in society are at the service of the exploiters.

Given the fact that these relations characterise a particular mode of production of material goods, and the fact that they become the core or centre around which society organises itself, it would seem that the best concept to explain a society scientifically was the concept Marx used to analyse capitalist society — namely, the concept of the **mode of production**. Depending on the kind of relations of production around which society organises itself, we speak of slave, feudal, capitalist and socialist modes of production.

In all societies, now defined as "a mode of production", there are two fundamental levels — the economic level, and the ideological-juridical-political level.

Of these two levels, or dimensions, the economic level plays the fundamental role in society. It constitutes the base or foundation on which the entire social structure is built. Hence we call it the infrastructure.

The other level is called the superstructure. It consists of the political and juridical sectors (the State and the Law) and the ideological sector (ideas and social traditions).

VII. The Role of the Workers

We have repeatedly said that in the last analysis the Infrastructure (or base) determines the superstructure. That means that the State, the legal structure, and the ideas that are prevalent are not neutral. They are not at the service of everyone in society, but at the service of the infrastructure because they enable it to reproduce the relations of production continuously.

If this is the case, then an effective struggle of the workers against the exploitation of the dominant classes must be accompanied by another struggle. The workers must strive to destroy the apparatus by which the dominant classes exercise their political and ideological power.

In present day society, the workers' struggle against exploitation is growing unceasingly. Because along with the tendency to reproduce the existing relations of production, there also appear the conditions which contribute to their destruction. For the internal contradictions in society keep on growing, and the exploited classes keep on gathering strength.

¶ One of the contradictions in capitalism that is sharpening may be outlined briefly as follows. The increasingly social character of the productive forces contradicts ever more sharply the private character of the capitalist appropriation of the means of production and of profit.

In advanced industrial societies, the individual worker, the technologist, the scientist and even the manager can no longer work according to their own whims and fancies. They can only work as part of a team, as part of a co-operative totality. Their labour forms part of the combined or collective labour potential necessary to produce the final product. To describe this growing socialization of labour Marx even used the concept of the collective worker' or 'the global worker'.

Today, the process has advanced so far that factories, branches of industry and even nations can no longer remain isolated units. They are forced to develop closer and closer bonds of co-operation as producers. The social, co-operative nature of production stands in ever sharper contrast to the private nature of appropriation of capitalist property.

Thus the antagonism between the two classes, owners and workers, whose interests are incompatible, is growing more acute. This conflict determines both the recurrent economic crises, and the potential for explosive social crises.⁶⁰ This point will be developed in booklet 3.1

From time, to time, politicians and government documents issue vague appeals like the following taken from an official Indian report :

"The rich, the high-caste, and the powerful must show a greater sensitivity towards the condition of their unfortunate brethren and be prepared to make the necessary sacrifices."⁶¹

60, Ernest Mandel. Introduction to the Appendix: K. Marx : *Results of the Immediate Process of Production*, translated for the first time into English by Rodney Livingstone, in Marx, *Capital*, Vol. I, pp. 945-946, also pp. 1052-55, Penguin ed. This appendix is not found in the Moscow edition,

61. India: Report of the Study Group on the Welfare of the weaker sections of the village community, Vol. I, pp. 1 and 60. Quoted in Gunnar Myrdal, *Asian Drama*, Vol. II, p. 766 n. 1.

But such appeals to the sensitivity of the rich are not enough. Egalitarian ideals need pressure from below if they are to become a reality. Even a liberal scholar like Gunnar Myrdal, winner of the 1977 Nobel prize for economics, had to admit that the evidence of history is unmistakable.

"It has never occurred in recorded history that a privileged group, on its own initiative and simply in order to give reality to its ideals, has climbed down from its privileges and opened its monopolies to the unprivileged. The unprivileged have to become conscious of their demands for greater equality and fight for their realization."⁶² ¶

So the workers have to realise that the exploiters will never voluntarily renounce their privileges. They will use every means to preserve them. They will even turn to the most brutal violence — whether it be political assassination, civil war or imperialist invasion. So the workers have to be prepared for a long-drawn out struggle. They have to be prepared to use every form of struggle so that exploitation can be destroyed once and for all.

Summary

Why do the workers live in miserable conditions, though it is they who extract wealth from nature, and create new wealth through their labour? To answer that question we had to study the elements of the labour process—the means of production and labour-power. We found that the means of production are the indispensable material conditions for any production process. As a result, those who own these

62. Gunnar Myrdal, *The Challenge of World Poverty*, Penguin Books, Harmondsworth, 1971, p. 88.

Ironically, Gunnar Myrdal does not see the implications of this observation. Being a structuralist and a Social Democrat, he somehow expects the problem to become part of the solution. At the end of his book, he appeals *for a solution* to those very governments and international agencies whom he had earlier identified as *the main cause of poverty*, (See Colin Leys : Underdevelopment and dependency: Critical Notes, in the *Journal of Contemporary Asia*, Vol 7, no. 1, , 1977, p. 97)

means can impose the working conditions of their choice on those who do not own them.

Naturally, the owners impose those conditions which enable them to extract the maximum profit out of the labour of the workers — it is thus that relations of exploitation develop. The labour process is thus a historical process that is determined by definite relations of production. Once these relations of production develop, they tend to reproduce themselves through the intervention of the political and juridical sector as well as the ideological sector which are under the control of those who have economic power.

In order to understand society scientifically, we saw the need of using the concept of the mode of production. For this concept is ideally suited to help us to understand how the whole of society is organised around its relations of production. Moreover a mode of production is composed of an infrastructure and a superstructure, and in the last analysis it is the infrastructure which determines the superstructure.

In conclusion, we have seen that to be effective, the struggle against economic exploitation should also be a struggle against the apparatus by which the exploiting classes exercise political and ideological power.

To destroy exploitation, in a definitive way, the workers have to be ready for a long struggle, since the dominant classes will never (as a class) renounce their privileges voluntarily.

Appendix I*

What work do people do ?

United Nations and World Bank sources divide the labour force into **three sectors** :

- the **agricultural** sector which includes cattle-raising, forestry, hunting and fishing;
- the **industrial** sector which comprises manufacture, construction, electricity, water, light and gas;
- the **services** sector which covers all other branches of economic activity — including commerce, transportation, teaching, banking, the armed forces and government.

As will be evident from the figures given on the next page, in the developed countries only a very small percentage works in agriculture. In the low-income developing countries, on the contrary, a greater proportion of the population works in agriculture than in industry and services.

Another major difference is that in the developed countries about 80% of the labour force are wage-earners. In the developing nations over 60% are self-employed.

In which direction is production moving ?

An International Labour Organisation (ILO) study shows that industry, and specially services, is rapidly outstripping agriculture as the principal provider of jobs, and the significant contributor to the Gross Domestic Product (GDP) of developing countries.

The study covers 92 developing countries with a population of 2,254 million people, ie. 97% of the population of the developing countries.

Between 1960 and 1980, the share of agriculture in the GDP was almost halved. Services now ranks as the second most important provider of jobs, after agriculture.

* This Appendix has been added by the translator.

What work do people do?

Population (millions) mid-1982	GNP per capita Dollars 1982	% of the labour force : 1980					
		Agriculture		Industry		Services	
		1960	1980	1960	1980	1960	1980
Industrial market Economies							
55.8	United Kingdom : 9,660 dollars	4	2	48	42	48	56
231.5	United States : 13,160 "	7	2	36	32	57	66
Middle-income Economies							
14.5	Malaysia 1,090 "	63	50	12	16	25	34
126.8	Brazil 2,240 "	52	30	15	24	33	46
Low-income Economies							
717.0	India 260 "	74	71	11	13	15	16
15.2	Sri Lanka 320 "	56	54	14	14	30	32
87.1	Pakistan 380 "	61	57	18	20	21	23
92.9	Bangladesh 140 "	87	74	3	11	10	15

Data taken from World Development Report 1984

“People in industrialized countries will have to realise that the division of labour that was imposed in colonial times cannot be cemented.” The Brandt Report, 1980.

But when looking at the figures given below, we have to keep in mind two warnings :

a. The statistics given exclude women who work in their homes. This distorts the reality of the Third World, where domestic work is not only socially necessary, but often linked to productive agricultural and artisan activities. (Third World Guide, 1984, p.13)

b. In developing countries with high levels of subsistence farming, much of the agricultural production is either not exchanged or not exchanged for money. Due to difficulties in assigning subsistence farming its proper value, the share of agriculture in GDP may be underestimated. (World Development Report 1984, p275)

	1960		1980	
	GDP	Labour	GDP	Labour
Agriculture	32 %	72.6 %	17 %	59.1 %
Industry	30 %	12.9 %	40 %	19.9 %
Services	—	14.5 %	44 %	21 %
			approx.	

The labour force grew by 1.9% per year in the 1960-80 period, and is projected to rise by 2.2% a year in the 1980-2000 AD period.

Commenting on the findings of the study, an ILO economist, Michael Hopkins, says that however "unsettling this may appear to some development theorists, if this 'pronounced' trend continues, those who see agricultural development as the key to overall development, might be running against the course of history." Would you agree with this opinion reported in *The Time of India*? (Bombay ed. May 10, 1983, p 7)

Appendix II *

The two-fold value of Commodities

For pedagogical reasons, Marta Harnecker felt it necessary to begin with an analysis of production. It is interesting to note that Marx began *Capital* with a slightly different starting point. He began with a study of the commodity. In fact, his very first sentence reads: "The wealth of those societies in which the capitalist mode of production prevails appears as an 'immense collection of commodities' " ¹ Marx did this because he regarded the capitalist mode of production as the only economic organization based upon **generalized commodity production**.

Using plenty of examples, Marx began with the analysis of the concrete — the commodity. He then rose slowly to more and more abstract levels :

commodity — value — money — capital

As he went along, he elaborated concepts at different levels of abstraction, and when he had finished, he returned to the concrete to try and understand it in its full richness — "as the combination of innumerable theoretical abstractions" to use Mandel's phrase. ²

What follows is an attempt to summarise some of the insights of Marx regarding the two-fold value of commodities. The terms used will be explained more fully in the booklet on Capitalist Exploitation (1.2).

Two kinds of value

According to Marx, the product of labour becomes a commodity only when it is transferred to another person through the medium of **exchange**. This means that 'the

* This Appendix has been added by the translator.

1. Marx, *Capital*, Vol. I, p. 43 (Moscow); p. 125 (Penguin)

2. E. Mandel, The Method of Capital in his introduction to Marx, *Capital*, Vol. I, pp. 17-25 (Penguin)

commodity must acquire a two-fold mode of existence if it is to be rendered fit for the circulation process."³

The commodity must have a **use-value** and an **exchange value**. Let us examine each of them

1. The commodity must have a use value. Obviously, no one will bother to produce something that is useless, and still less will anyone buy it.

"The usefulness of a thing makes it a use-value", wrote Marx." But this usefulness is conditioned by the physical properties of the commodity. "It is because of their special qualities that we choose rice to satisfy our hunger, cloth to make a shirt and steel to build a house. So "as use-values, commodities differ above all in quality."⁴

To appropriate these useful qualities requires a particular kind of labour. For example, the kind of labour required to give a piece of cloth its fine texture will differ from the labour needed to shape a beautiful pot. So the use-value of a commodity will depend both on the **physical properties** of the raw material and a particular kind of **concrete human labour**. Its usefulness "is independent of the amount of labour required".⁵

2. But the commodity must also have an exchange value.

"It is not enough for it to appear to the buyer as an article with particular qualities, i.e. as a specific **use value**... its **exchange value** must also have acquired a definite independent form distinct... from its use-value."⁶

This simply means that in order to exchange commodities in the market, we must know how many yards of cloth are equal to how many kilos of rice or how many dozen knives

3. Marx, *Capital*, Vol. I, p. 955 (Penguin ed. only)

4. Marx, *Capital* Vol. I, pp. 44-45 (Moscow); pp. 126, 128 (Penguin)

5. *ibid.*

6. Marx, *Capital*, Vol. I, p. 955 (Penguin ed. only)

In other words, commodities must acquire a definite **quantitative** relationship to each other.

"As use-values, commodities differ above all in quality, while as exchange values they can differ only in quantity... (for) exchange-value appears first of all as the quantitative relation, the proportion, in which use-values of one kind exchange for use-values of another kind."⁷

But on what basis will commodities acquire this **quantitative** relationship to each other? How can one compare the taste of mangoes with the hardness of steel or the fineness of silk? There must be some quality common to them all which makes comparison possible. And since exchange is a **social act**, the quality must have a social character.

Marx discovered that the only quality common to all commodities was the fact that they were the **products of human labour**. But why should human labour be so important? Why should it provide the basis for exchange, or in other words, why should it be the measure of **value**?

The reason Marx gave is that it is through labour that man satisfies his needs. "Every child knows," Marx wrote to Kugelmann, "that a nation which ceased to work, I will not say for a year, but for a few weeks, would perish."⁸ Since society satisfies its needs through labour, and since the quantity of labour available in a given society is limited, its use has to be regulated. For example, if most of the workers began producing cloth, there may be a shortage of food. Or, if everyone became a builder, there would be plenty of houses but not enough food and clothing. In other words, there must be a balance between the **needs** of a given society, and the **commodities** produced by the labour available in that society. This balance can only be reached if labour is distributed in the correct proportion between the various branches of production which have been established to answer specific needs.

7. Marx, *Capital*, Vol I, pp. 45,44 (Moscow); pp. 128, 126 (Penguin)

8. Marx-Engels : Selected Works, Vol. II, P. 418

In **primitive society**, this distribution of labour took place in a consciously planned way. It was made on the basis of habits, customs, tradition, rituals, decisions by elders, etc., which had evolved over long periods of time.

In a **socialist society**, the distribution of labour is also planned in a conscious fashion, but at a far more complex and advanced level.

But between these two stages, we find that labour becomes the private concern of the producer. Commodities are produced by direct producers independently of one another. There is no conscious over-all planning and control of the entire process. A balance or equilibrium is reached through blind market forces. Price fluctuations are one indication of whether the "order" of market equilibrium is being maintained — that is, whether market demand is being met by market supply. If the supply is too great, ie. if too much has been produced, the price falls. If the demand is greater than the supply, ie. if not enough has been produced to satisfy the needs of those who come to the market, the price rises.

However in a market economy, the only needs that are **socially recognized** are those that can pay for the commodities they require. "The market gets into an equilibrium by ignoring needs that fail to get translated into market demand because of lack of purchasing power."⁹ As a result there may be millions of starving people, but if they have no money to buy rice, their needs are not socially recognized. What food they can demand in the market depends on what they own and what they can offer in exchange. From a market point of view, there can be an overproduction of rice even when millions are hungry and malnourished.

According to Prof. Amartya Kumar Sen, of Oxford, the present political system in India and the structure of the Indian

9. Amartya Kumar Sen, Drummond Professor of Political Economy, Oxford University, in his Coromandel lecture, N. Delhi, Dec. 13, '82 published in *The Hindu*, Dec. 31, '82, p. 8.

press are fairly quick in spotting catastrophic starvation during a famine, and putting pressure on the government to save threatened groups from death. But "at the same time, non-acute, regular starvation — even though extremely widespread does not attract much attention... The persistent hunger of a third of the rural population can be such a tame issue"¹⁰ that the P.M. can speak of the country achieving "self-sufficiency" in food grain, while openly admitting that 50% of the people are below the poverty line.¹¹

Some points of Marx's theory

When Marx put forward his labour theory of value, he was not trying to explain short-term price fluctuations. There were enough economists trying to do that at the time. And there still are, because that is what interests the capitalist class most of all. Instead, Marx was trying "to discover... (the) hidden key behind price fluctuations". He was trying to "explain what is being equilibrated" in the act of exchange. In other words, he was trying to define **the basis of value**.¹²

Put briefly, Marx discovered :

1. that a specific amount of labour-time is objectified in every commodity,¹³
2. but in order to become the basis of exchange, we must abstract from the particular qualities of **concrete** human labour. To do this we no longer focus on the difference between the skills of the weaver and those of the potter; we no longer regard the **qualitative** aspects of labour, but only its **quantitative** aspects.

In other words, we look on all forms of labour as examples of **abstract labour**. We do this by reducing

10. *ibid.* and also A K. Sen: *Poverty and Famines: An Essay on Entitlement and Deprivation*, Oxford, Clarendon Press, 1981.

11. Speech of Indira Gandhi at the opening of the Rs. 78.33 crore Godavari barrage at Dowleswaram, *The Hindu*, Oct. 30, '82

12. E. Mandel: *Introduction to Marx, Capital*, Vol. I, pp.38-9, Penguin.

13. Marx, *Capital*, Vol. I, p.953, Penguin ed. only.

different kinds of labour to their common quality of being human labour in general, and regarding them as portions of the labour-power available in society.

Thus, according to Marx, the total value that is newly produced is equal to the total expenditure of labour in a given period of time. Value is the assignment of portions of the socially available labour-power.¹⁴

3. Even skilled labour, which may take years to acquire, is regarded as a multiple of **simple** labour, which is readily learnt. So that "as exchange values, all commodities are merely definite quantities of **congealed labour time**".¹⁵
4. Since individual workers take varying amounts of time to make the same commodity, there must be a standard or an average against which comparisons are made. "What determines the magnitude of the value of any article," writes Marx "is the labour time **socially necessary** for its production."¹⁶

To sum up, when we analyse a commodity "what is objectified in it - apart from its use-value - is a specific quantum of socially necessary labour."¹⁷

But since the productivity of labour is constantly changing with the development of productive forces, this quantitative relationship between commodities changes continually with time and place.¹⁸

14. Marx, *Capital*, Vol. I, pp. 57 f, 64, 194 (Moscow); pp. 142, 150, 308 (Penguin); and E. Mandel : Introduction, in Marx, *Capital*, Vol. I, p. 45 fn. 39, Penguin edition only.

15. *ibid.* p. 47 (Moscow); p. 130 (Penguin).

16. *ibid.* p. 47 (Moscow); p. 129 (Penguin)

17. *ibid.* p. 953 (Penguin) ed. only

18. *ibid.* pp. 88-90 (Moscow); pp. 178-81 (Penguin)

Annotated Reading List

Marta Harnecker

I MAIN TEXTS IN CHRONOLOGICAL ORDER

- 1 MARX, K. and ENGELS, F. (1845–46) : *The German Ideology*, Progress Publishers, Moscow 3rd Revised Edition, 1976. pp. 29–102.

This text demands careful and critical reading. It was the first work in which the new concept of historical materialism appeared. Marx and Engels abandoned the humanist viewpoint that they had held previously, introduced the new concepts of the theory of historical materialism, and criticised the idealist conception of Hegel and the materialist, but contemplative, position of Feuerbach.

The ideological climate which prevailed at the time of the birth of this work helps us to understand on the one hand, the use of certain 'remnants' of Hegel, and on the other, the exaggerated emphasis in some texts on a materialism which almost reduces itself to a mechanistic determinism based on the economy.

The materialist conception of history was still in a fragile and precarious state. That explains certain errors in the text. Forty years after having written this work with Marx, Engels wrote in his Foreword to *Ludwig Feuerbach and the end of Classical German Philosophy* (1888): "The finished portion consists of an exposition of the materialist conception of history which proves only how incomplete our knowledge of economic history still was at that time." (Marx-Engels; *Selected Works*, Moscow, Vol. 3 p. 336)

2. MARX, K. : Letter to P. V. Annenkov of 28 December, 1846, in Marx-Engels : *Selected Works*, Moscow, Vol. 1, pp 517—527.

This letter contains one of those rare explicit references that Marx made to historical materialism. It gives a vision of the entire theory, with examples. It emphasizes the role of labour in the development of the productive forces.

3. MARX, K. and ENGELS, F. (1848): *Manifesto of the Communist Party*, in Marx-Engels : *Selected Works*. Moscow Vol. 1, pp. 108-137.

In his Preface to the German edition of 1883, Engels gives us a brief summary of the key ideas of this text :

“The basic thought running through the Manifesto (is) that economic production and the structure of society of every historical epoch necessarily arising therefrom constitute the foundation for the political and intellectual history of that epoch; that consequently (ever since the dissolution of the primeval communal ownership of land) all history has been a history of class struggles, of struggles between exploited and exploiting, between dominated and dominating classes at various stages of social development, that this struggle, however, has now reached a stage where the exploited and oppressed class (the proletariat) can no longer emancipate itself from the class which exploits it (the bourgeoisie), without at the same time forever freeing the whole of society from exploitation, oppression and class struggles...” (ibid., p. 101)

In their Preface to the German edition of 1872, Marx and Engels had remarked:

“However much the state of things may have altered during the last twenty-five years, the general principles laid down in this Manifesto are, on the whole, as correct today as ever. Here and there some detail might be improved. The practical application of the principles will depend, as the Manifesto itself states everywhere and at all times, on the historical

conditions for the time being existing, and, for that reason, no special stress is laid on the revolutionary measures proposed at the end of Section II. " (*ibid.*, p. 98)

Industrial development, the progress in party organisation and the revolutionary experience of more than a century have made certain points in this programme obsolete.

4. MARX, K. : Letter to J. Weydemeyer of 5 March, 1852, in Marx-Engels: *Selected Works*, Moscow, Vol. I, p. 528.

Marx points out, in this letter, his real contribution to the problematic of social classes.

5. MARX, K. (1857) : *Introduction to the Critique of Political Economy*, ch. 1, 2 and 4, in Marx : *A Contribution to the Critique of Political Economy*, Moscow, pp. 188-205 214-217.

A very important text for an understanding of the Marxist concept of structure, and the determining role that production plays in the economic process.

6. MARX, K. (1859) : Preface to *The Critique of Political Economy* in Marx: *A Contribution to the Critique of Political Economy*, Moscow, pp. 19-23.

This text constitutes another of those rare explicit references of Marx to historical materialism. It gives us the most complete and succinct summary. Marx speaks of historical materialism as the general conclusion he arrived at, which once acquired served as the connecting link for all his studies.

The text demands a careful and critical reading, for Marx uses certain concepts that are inadequate (like 'social existence' and 'social consciousness') and puts forward certain formulations which have given rise to deviations of the economist type.

MARX, K. (1867) : *Capital*, Vol. I, pp. 173-180 (Moscow); pp. 283-292 (Penguin).

A very clear analysis of all the elements that constitute the production process.

8. MARX K. (1875) : *Critique of the Gotha Programme (Marginal Notes to the Programme of the German Workers' Party)*, in Marx-Engels : *Selected Works*, Moscow, Vol. 3, pp 13-30

A text that is very interesting as a document of ideological struggle against the deviations of scientific socialism. It is one of Marx's texts which contains the greatest number of suggestions regarding the building up of socialism. The two stages—socialism and communism—are clearly distinguished.

9. ENGELS, F. (1880) : *Socialism: Utopian and Scientific*, in Marx-Engels : *Selected Works*, Moscow, Vol. 3, pp. 95-151.

The section on Utopian Socialism is a brief synthesis of Utopian socialist ideas. An important explanation of utopian theories with reference to the material conditions of the time. The section on Hegelian dialectics is bad.

In the section on scientific socialism, one finds a good explanation of the historical necessity of socialism to suppress the contradiction between the productive forces and the social relations of production. Interesting passages on the State in socialism,

The most important points to note critically are :

- i) the theory of reflection or representation of the universe as applied to knowledge. It can lend itself to deviations of 'spontaneism',
- ii) the excessive simplification of the problem of unemployment as linked with mechanisation.
- iii) the use of the term 'mode of production' as a synonym for 'relations of production'.

20. ENGELS, F. : Letter to C. Schmidt of 5 August, 1890' in Marx-Engels : *Selected Works*, Moscow, Vol. 3, pp. 483-485.

A very important text against dogmatism. Historical Materialism is described as a guide or a way of studying everything afresh.

11. ENGELS, F. : Letter to J. Bloch of 21-22 September, 1890, in Marx-Engels : *Selected Works*, Moscow, Vol. 3, pp. 487-489.

On economy as "the **ultimately** determining element in history". Engels admits that Marx and himself are partly to blame for the fact that the younger people sometimes lay more stress on the economic side than is due to it. Quite a problematic text regarding the role of man in history.

12. ENGELS, F. : Letter to C. Schmidt of 27 October, 1890, in Marx-Engels : *Selected Works*, Moscow, Vol. 3, pp. 489-495.

The letter speaks of production as the decisive factor in the last analysis. The relative independence and reciprocal action of various structures upon each other.

13. ENGELS, F. : Letter to F. Mehring of 14 July, 1893 in Marx-Engels : *Selected Works*, Moscow, Vol. 3, pp. 495-499.

A Critique of the undialectical conception of cause and effect as rigidly opposite poles.

14. ENGELS, F. : Letter to W. Borgius of 25 January, 1894, in Marx-Engels : *Selected works*, Moscow, Vol. 3, pp. 502-504.

Regarding economy as the ultimately determining element, and reciprocal inter action. The economy does not produce effects automatically.

15. LENIN, V. I. (1984) : *What the "Friends of the People" are* in Lenin : *Collected Works*, Moscow, Vol. I, pp. 133—200.

This text clearly shows the place that *Capital* holds in

historical materialism. The object of Capital. Historical Materialism as a hypothesis and as a science. An important text against dogmatism.

16. LENIN, V. I. (1895) : *Friedrich Engels*, in Lenin : *Collected Works*, Moscow, Vol. 2, pp. 19—27.

A brief account of the role of Engels in developing historical materialism.

17. LENIN, V. I. (1899) : *Our Programme*, in Lenin : *Collected Works*, Vol. 4, pp. 210—214.

The fundamental characteristics of historical materialism. An important text against revisionism and dogmatism.

18. LENIN, V. I. (1914) : *Karl Marx*, in Lenin : *Selected Works*, Vol. I, pp. 15—43.

A brief biographical note with a summary of historical materialism. Study critically what concerns dialectical materialism. Skip the section on 'Marx's economic doctrine' — it is a useful summary, but it presupposes a knowledge of the main concepts of *Capital*. Take critical note of the terms 'social existence' and 'social consciousness'.

19. LENIN, V. I. (1917) : *The State and Revolution*, in Lenin : *Selected Works*, Moscow, Vol. II, pp. 238-327.

An excellent text on the Marxist concept of the State. Very clear and pedagogical.

20. STALIN, J. V. (1938) : *Dialectical and Historical Materialism* in Stalin, J. V., *Problems of Leninism*, Foreign Languages Press, Peking. 1976, pp. 853-873 (on historical materialism only).

A very simple text on the Marxist theory of history. Explains the concepts of productive forces and social relations of production which are used by other texts without any explanation.

A good text to begin with. But it would be better to read it a second time more critically, because its great simplicity leads to certain statements which can lend themselves to erroneous interpretations — specially the possible confusion between the abstract succession of the modes of production and what actually happens at the level of empirical history.

21. MAO-TSE-toung (1937) : *On Contradiction*, in Mao Tse-toung : *Selected Works*, Peking, Vol. I, pp. 311-347.

An excellent text for the study of political conjuncture.

22. MAO TSE-toung (1941) : *Reform our Study*, in Mao Tse-toung : *Selected Works*, Peking, Vol. III, pp. 17-25.

Against a dogmatic study of Marxism. The need to apply it creatively.

II. RECOMMENDED ORDER IN READING

To read the above texts in a more organised way, we would suggest the following order:

1. Regarding the importance and manner of studying Marxism : texts no. 22, 17
2. For an overall view : texts no. 20, 6, 1, 2, 3, 15, 16, 18.
3. On the labour process : text no. 7.
4. On the economic structure : text. no. 5.
5. On the relations between infrastructure and superstructure : texts no. 10, 11, 12, 13, 14.
6. On the State : texts no. 4, 19.
7. On transition : texts no. 9, 8.
8. On political conjuncture : text no. 21.

continued from Back Cover

Precisely, because the booklets try to lead the reader forward step by step, there may be a danger of halting along the way. One may be tempted to think that with a few concepts and a few formulae one has understood Marxism, and is equipped to grasp the complexity of Indian reality.

The authors were acutely aware of this danger, and reminded their readers that simplification for pedagogical purposes should not become a substitute for deeper study. If references and suggestions for further reading are given, they are a reminder that no Introduction can replace a careful study of the original texts. As Marx himself pointed out "there is no royal road to science," and no short cut to "its luminous summits".

We would welcome any comments, criticism and suggestions from you.

About the Author

Marta Harnecker, the principal author of this series, is no arm-chair theoretician. A Chilean by nationality, she studied in Santiago and Paris. Till September 1973, she was a professor at the University of Chile, a member of the Communist Party, and the editor of a weekly '**Chile Today**.' Her book '**Basic Concepts of Historical Materialism**' sold 1,50,000 in a short time.

After the Left Front Government, headed by Salvador Allende, came to power through a Parliamentary election, she worked with Gabriela Uribe and the workers of Chuiquicamata to produce these booklets. They were meant to strengthen the workers movement by helping the workers to understand how capitalism had impoverished Chile.

In September 1973, a military junta, backed by the American CIA, overthrew the elected government. They murdered President Allende, and massacred thousands. Marta Harnecker only escaped with her life because she sought refuge in a foreign embassy, along with thousands of others. Months later, she was reluctantly allowed to leave Chile. She now works for a French fortnightly **Afrique-Asie** as its Latin American correspondent. Her most recent book to appear in English is **Cuba : Dictatorship or Democracy**

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About this Series

Grinding poverty and extravagant wealth. Two faces of the modern world that no can ignore. But how explain this contradiction? How explain, for example, that workers find it hard to meet their most basic needs, while those who employ them live in the utmost luxury? How explain that in some countries there is so much over-production that milk is poured into rivers, butter fed to animals, and fruit allowed to rot... At the same time millions suffer from malnutrition and starvation — not only in the Third World, but also in those very nations which destroy such 'surplus' food stock.

No one who tries to understand these contradictions can afford to ignore the insights of Karl Marx, or at least the questions he raised. But where can one gain an understanding of Marx's thought? Certainly not from those Western writings which distort his thinking and then summarily dismiss it. To know the thought of Marx there is no substitute for a careful study of his writings, specially his later writings.

But where does one start? Many beginners are awed by the very magnitude of the task. The first volume of **Capital** alone runs into more than 770 pages. His complete works are being published in English in 50 volumes! Can one find an introduction that is simple and yet precise? One that leads the reader gradually into the complexity of Marx's analysis of the capitalist system, and how it works.

Because they could not find a suitable introduction, a group of Chilean working-class leaders, in the copper mining town of Chuquicamata, joined hands with two scholars to produce this introduction. The series was originally written in Spanish. But it was so successful that it was translated into other languages. It is now being made available in English, to provide readers in India with some conceptual tools for analysing Indian society. This translation-adaptation was tested out in courses, since 1981.

The Series is carefully graded. Aspects that are only briefly touched upon in the First Series are taken up again in the Third.

Continued inside Back Cover

The Cover Design symbolises the growing tension between the nations of the rich North and those of the poor South; and the struggle between the forces of the Left and those of the Right.